SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SAN FRANCISCO

Co. Experts M. Johnson

JANET C. MANGINI, On Behalf of the General Public,	)	
Plaintiff,	)	Case No. 939359
vs.	)	
R.J. REYNOLDS TOBACCO COMPANY, et. al.,	)	Pages 1 - 101
Defendant.	)	

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DEPOSITION OF:

MICHAEL O. JOHNSON

TUESDAY, JANUARY 16, 1996

10:00 A.M.

Reported by:

Sherry L. Malia

Registered Professional Reporter

TEARNEY & TEARNEY

LOS ANGELES . SAN F[illegible]CISCO . SAN DIEGO . IRVINE . NEW YORK

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Los Angeles, CA [illegible]0025

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1 Deposition of MICHAEL O. JOHNSON, the witness, taken
2 on behalf of The Plaintiff, on TUESDAY, JANUARY 16,
3 1996, 10:00 A.M., at Womble, Carlyle, Sandridge &
4 Rice, 200 West Second Street, Suite 1600,
5 Winston-Salem, North Carolina, before SHERRY L. MALIA,
6 Registered Professional Reporter.
7
8 APPEARANCES OF COUNSEL
9
10 FOR PLAINTIFF:
11 MILBERG, WEISS, BERSHAD, HYNES & LERACH
12 BY FRANK J. JANECEK, JR., ESQ.
13 600 West Broadway
14 Suite 1800
15 San Diego, California 92101
16 619/231-1058
17
18 FOR DEFENDANT:
19 JONES, DAY, REAVIS & POGUE
20 BY KIM F. BIXENSTINE, ESQ.
21 North Point
22 901 Lakeside Avenue
23 Cleveland, Ohio 44114
24 216/586-3939
25 ALSO PRESENT: Daniel W. Donahue, Esq., of RJ Reynolds

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1 I N D E X

2 WITNESS: EXAMINATION PAGE

3 MICHAEL O. JOHNSON

4 By Mr. Janecek 5

5 P.M. Session 58

6

7 E X H I B I T S

8 NO. PAGE DESCRIPTION

9 1 13 Corporate subsidiary structure
10 chart effective 1/31/95

11 2 13 Update to 1/31/95 chart
12 effective 11/15/95

13 3 40 Update to 1/31/95 chart
14 effective 6/29/95

15 4 43 RJR Nabisco Holdings Corp list of
16 subsidiaries effective 12/31/94

17 5 46 Corporate subsidiary structure
18 chart effective 7/15/92

19 6 58 Corporate subsidiary structure
20 chart effective 6/15/90

21 7 61 Corporate subsidiary structure
22 chart effective 4/28/89

23 8 74 RJR Nabisco Holdings Corp list of
24 subsidiaries effective 12/31/93

25

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1 E X H I B I T S

NO.	PAGE	DESCRIPTION
9	77	RJR Nabisco Holdings Corp list of subsidiaries effective 12/31/92
10	78	RJR Nabisco Holdings Corp list of subsidiaries effective 12/31/91
11	80	RJR Nabisco Holdings Corp list of subsidiaries effective 12/31/90
12	81	RJR Nabisco, Inc., list of subsidiaries effective 12/31/89
13	98	RJR Nabisco Holdings Corp list of subsidiaries effective 1/31/95

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1 WINSTON-SALEM, NORTH CAROLINA;

2 TUESDAY, JANUARY 16, 1996; 10:00 A.M.

3

4 MICHAEL O. JOHNSON,

5 having been first duly sworn,

6 was examined and testified as

7 follows:

8

9 EXAMINATION

10

11 BY MR. JANECEK:

12 Q. Mr. Johnson, could you state your full name

13 for the court reporter?

14 A. Michael O. Johnson.

15 MS. BIXENSTINE: Frank, at the outset I

16 would like to make a statement for the record. First,

17 the deposition notice calls for the person most

18 knowledgeable regarding the corporate structure of RJ

19 Reynolds Tobacco Company, including but not limited to

20 RJ Reynolds Tobacco Company's relationship with any

21 parent subsidiary, sister entity, affiliate, et

22 cetera.

23 You and I have had discussions regarding the

24 breadth of this deposition notice. You advised me

25 that in this particular deposition you intend to focus

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1 on RJ Reynolds Tobacco Company's relationship with its
2 parent and its relationships with its affiliates and
3 not on the internal corporate structure of RJ Reynolds
4 Tobacco Company.
5 I want the record to reflect that Mr.
6 Johnson is not necessarily the most knowledgeable
7 person at RJ Reynolds Tobacco Company regarding its
8 internal corporate structure. We believe, however,
9 that he is the most knowledgeable person at RJ
10 Reynolds Tobacco Company regarding its relationships
11 with its parent and its affiliates.
12 Second, I trust from the discussions that
13 you and I have had about this deposition that you are
14 not going to revisit the issues plaintiff covered in
15 discovery last year with respect to whether the Court
16 could exercise personal jurisdiction over RJ Reynolds
17 Tobacco Company's parent, RJR Nabisco, Inc. As you
18 know, the Court has already determined that issue
19 adversely to the plaintiff, having found that it did
20 not have personal jurisdiction over RJR Nabisco, Inc.,
21 and having dismissed it from this lawsuit. You can
22 proceed.
23 MR. JANECEK: That is correct. At least at
24 this point in time we are focusing on the
25 relationships between the RJR entities. Should we

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1 need additional internal, someone on the internal
2 side, we will speak with counsel and arrange that.
3 MS. BIXENSTINE: That's fine.
4 BY MR. JANECEK:
5 Q. Mr. Johnson, can you give me your, state
6 your title, please?
7 A. Vice president, deputy general counsel, and
8 secretary.
9 Q. Vice president of what?
10 A. RJ Reynolds Tobacco Company.
11 Q. Any particular area?
12 A. Vice president of the company. I'm a part
13 of the law department, if that's what you're asking
14 me.
15 Q. Sometimes vice presidents will have vice
16 president of marketing or sales.
17 A. Oh.
18 Q. Mr. Johnson, have you ever had your
19 deposition taken before?
20 A. Yes, I think once many, many years ago.
21 Q. And you're an attorney?
22 A. Yes.
23 Q. Have you taken depositions before?
24 A. A long time ago, yes.
25 Q. I'm assuming that you're aware of what a

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1 deposition is, but I'll give you a brief background or
2 brief admonition as to what you can expect.
3 As you can see, the deposition, at the
4 deposition we have a court reporter who's taking down
5 everything that you and I and anyone in the room says.
6 You've also been sworn in so that your testimony is
7 under the penalties of perjury. These two things,
8 while we are not sitting in a courtroom, have the
9 effect of you testifying before a Court today. Any of
10 the counsel, plaintiff's side or defense side, can use
11 your deposition testimony at the Court should you not
12 be available to testify. Are you aware of that?
13 A. Yes.
14 Q. Also, if you need any clarification of the
15 questions I'm asking, please don't hesitate to ask me
16 to clarify and I'll be happy to do so. Please try to
17 wait until my question is finished before you begin
18 your answer. It's difficult for the court reporter to
19 take down both of our statements if we're speaking at
20 the same time. If you need a break, just let me know
21 and we'll take a break.
22 Mr. Johnson, are you under any medication
23 that would inhibit your ability to testify truthfully
24 today?
25 A. No.

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1 Q. Is there any other reason why you couldn't
2 give your best testimony today?
3 A. No.
4 Q. Okay. Mr. Johnson, your counsel has
5 provided me with certain copies that were produced
6 today. Can you generally describe for me what these
7 are?
8 A. Do you want me to, do you want to hand me a
9 document or --
10 Q. Sure. I just, are these documents
11 identifying the various relationships,
12 parent-subsidiary relationships of RJR Nabisco, RJ
13 Reynolds Tobacco, and the various affiliates?
14 A. Yes, generally that's what they are.
15 Q. Okay. I've also been informed by counsel
16 that while we have one copy we can use for the
17 deposition transcript of a large chart, there are also
18 additional copies which we will be referring to that
19 at least at this time there are no copies to be
20 provided to the court reporter.
21 MS. BIXENSTINE: That's correct. As I told
22 you off the record before the deposition, Mr. Janecek,
23 we have some earlier charts which are in color and
24 which are quite large, and the estimate for getting
25 three copies of the three charts copied was in excess

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1 of $900. I therefore determined not to spend that
2 money but rather to produce the only copy that we have
3 here today, and if you would like to have copies made
4 we can do that at your expense.
5 MR. JANECEK: Okay.
6 BY MR. JANECEK:
7 Q. Mr. Johnson, I'm going to hand you one
8 document, which I'll have the court reporter mark as
9 Exhibit 1 to this deposition, which is an 8 and a half
10 by 11, it's a group of documents that are on 8 and a
11 half by 11 inch paper. Can you briefly just give me a
12 general description of what this document, these
13 groups of documents, are?
14 (Witness reviewing document.)
15 A. This is a document that lists the various
16 subsidiaries of RJR Nabisco Holdings Corp, their first
17 tier here and all down the line. It shows the name of
18 the company, the date of incorporation, the place of
19 incorporation.
20 Q. Mr. Johnson, let me show you a rather large
21 chart which I'll have the court reporter somehow
22 attach to the deposition as Johnson Exhibit Number 2.
23 (The document referred to
24 was marked as Plaintiff's Exhibit 1
25 for identification, and attached to

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1 and made a part of this deposition.)

2 Q. Can you read that upside down there?

3 MS. BIXENSTINE: We have extra copies. Do

4 you want me to turn this one around?

5 (Witness reviewing document.)

6 BY MR. JANECEK:

7 Q. Can you generally identify for me what this

8 document is?

9 A. It is a chart that depicts RJR Nabisco

10 Holdings Corp. and its subsidiaries. That's basically

11 what it is. This is effective January 31 of 1995.

12 Q. Okay. Besides the format of the documents

13 collectively attached to Exhibit 1 and this chart

14 attached to Exhibit 2, what's the general difference

15 between these two documents?

16 MS. BIXENSTINE: For the record, the

17 documents that comprise composite Exhibit 1 consist of

18 lists of different dates. I just want the record to

19 reflect that Exhibit 1 has different lists that show

20 different updates to the RJR Nabisco corporate

21 subsidiary structure. You may proceed.

22 BY MR. JANECEK:

23 Q. Do you agree with what your counsel just

24 said?

25 A. Yes.

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1 Q. Am I correct in understanding that the group
2 of documents that we've attached as Exhibit 1 show
3 modifications, if you will, to the chart attached to
4 Exhibit 2, in that there are various subsidiaries or
5 entities that no longer exist or that are new
6 entities? Is that --
7 MS. BIXENSTINE: Objection to the form of
8 the question. Frank, I don't want to unduly confuse
9 matters. The top list in Exhibit 1, which says
10 "update effective as of November 15, 1995," is an
11 update to the chart that has been marked as Exhibit 2.
12 The next list, which says "update effective as of June
13 29, 1995," is also an update to that list. Then
14 there's a list in Exhibit 1 dated January 31st, 1995,
15 which I believe is simply a list, in narrative form,
16 of what is represented graphically on the chart that
17 we have marked as Exhibit 2; and then there are other
18 lists that precede that that have earlier dates, so
19 they would not reflect updates to the chart that has
20 been marked as Exhibit 2.
21 MR. JANECEK: All right. Madam Court
22 Reporter, perhaps we should remark the exhibits. I
23 didn't understand the way that these things were
24 working. If it's no trouble, we'll mark the chart as
25 Exhibit 1 and then we'll start with Exhibit 2 from

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1 this pile.

2 (The documents referred to

3 were marked as Plaintiff's Exhibits 1 and 2

4 for identification, and attached to

5 and made a part of this deposition.)

6 Q. Mr. Johnson, at the top of newly marked

7 Exhibit 1, there's an entity identified as RJR

8 Nabisco Holdings Corp. Is that the parent entity for

9 RJR Tobacco, RJ Reynolds Tobacco Company?

10 MS. BIXENSTINE: Objection to the form of

11 the question. You may answer.

12 A. It is what I would call the ultimate parent

13 entity. It does not directly own the stock of RJ

14 Reynolds Tobacco Company.

15 BY MR. JANECEK:

16 Q. Okay. And is RJR Nabisco Holdings Corp.

17 still today the parent entity, the ultimate parent

18 entity?

19 MS. BIXENSTINE: Object to the form.

20 A. Well, yes. It is, it is not the direct

21 owner of RJ Reynolds Tobacco Company's stock, but it

22 is the owner of RJR Nabisco, Inc.'s stock, so it is

23 above us in the corporate chain.

24 BY MR. JANECEK:

25 Q. Okay. But it's still in existence today?

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1 A. Yes; right.

2 Q. And then you mentioned RJR Nabisco, Inc.

3 What is that entity?

4 A. It is the parent company of RJ Reynolds

5 Tobacco Company. It owns a hundred percent of the

6 stock of RJ Reynolds Tobacco Company and it is, in

7 turn, owned 100 percent by RJR Nabisco Holdings Corp.

8 Q. Is RJR Nabisco, Inc., still in existence

9 today?

10 A. Yes.

11 Q. The next level subsidiaries, there are

12 various RJR entities. Can you describe for me why the

13 various color schemes on the exhibit marked, or the

14 document marked as Exhibit 1?

15 MS. BIXENSTINE: I object to the predicate

16 in the question that all of the first two subsidiaries

17 are RJR entities. I'm not sure what you mean by RJR

18 entities. It's vague. I don't know if you mean that

19 they are all owned by RJR Nabisco, Inc. You'll note

20 that one of the first tier subsidiaries is Nabisco

21 Holdings Corp. You may answer the question.

22 A. Would you repeat the question for me,

23 please?

24 BY MR. JANECEK:

25 Q. The chart that's attached Exhibit 1 has

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1 various color codings for various entities that begin
2 with RJ Reynolds. Could you describe for me what the
3 color coding is?
4 A. Okay. The, there are one, two, three, four,
5 five colors, and they are listed on the legend on the
6 left hand corner of this thing. The various colors
7 denotes which company, you know, oversees the
8 operations. For instance, RJ Reynolds Tobacco Company
9 is involved in overseeing the operations of the, I
10 guess you would call that the dark purple, RJR Nabisco
11 would be yellow, RJ Reynolds Tobacco International,
12 would be the brown, et cetera.
13 MS. BIXENSTINE: Just so the record isn't
14 confused again, let me state that the legend denotes
15 colors yellow, orange, red, blue, purple, green. In
16 copying the chart the colors didn't come out as clear
17 as they might have, so what Mr. Johnson has just said
18 looks purple, and it does look purple, is actually
19 denoted as red in the legend, so that there is no
20 confusion on the record.
21 BY MR. JANECEK:
22 Q. Mr. Johnson, each of these, I think what
23 have been termed first tier subsidiaries, are they all
24 100 percent owned by RJR Nabisco, Inc.?
25 A. Well, no. Not all of them, no.

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1 Q. Okay. Which ones are owned by, 100 percent,
2 by RJR Nabisco, Inc.?
3 A. All of them, I believe, except the Nabisco
4 Holdings Corp.
5 Q. Now, this chart is effective January 31,
6 1995. Has there been any change in the structure of
7 the first tier subsidiaries since that date?
8 A. I'd really have to look at the, some of the
9 sheets on Exhibit 2.
10 Q. Take your time.
11 (Witness reviewing documents.)
12 MR. JANECEK: For the record, what was
13 previously marked as Exhibit 1 has now been marked as
14 Exhibit 2, although it's no longer the collective
15 group of documents. It's the first document in the
16 stack of documents that's titled "2nd Update To The
17 1/31/95 RJR Nabisco Corporate Subsidiary Structure
18 Chart".
19 A. There have been some changes, and I'm
20 looking at this first page of Plaintiff's Exhibit 2,
21 Expefo and RJI Corporation were merged into
22 RJR-Nabisco Industries, Inc. I believe RJRN Policy
23 Institute has been merged into RJR Industries, Inc.
24 Q. Expefo and which ones, RJI, were you
25 referring to earlier?

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1 A. Right here. (Indicating.)

2 Q. Okay.

3 A. RJI Corporation. I can't find on these

4 sheets, but I believe RJR Nabisco Washington, Inc.,

5 has been merged with RJ Reynolds Tobacco Company. RJR

6 Nabisco Processing, Inc., may have merged into RJR

7 Industries, Inc.

8 MS. BIXENSTINE: Frank, the most recent

9 update that has been distributed is the one you've

10 marked as Exhibit 2, which is dated November 15th,

11 1995. However, I understand there are some additional

12 changes that are in the works.

13 MR. JANECEK: I'm not sure I understand you.

14 Is what you're saying that the document marked as

15 Exhibit 2 is the current structure although there may

16 be additional changes?

17 MS. BIXENSTINE: No. I believe there have

18 been some changes made since November 15th, 1995;

19 however, they haven't been set forth in any document

20 yet and I don't know if they've been finalized, but

21 Mr. Johnson may know.

22 BY MR. JANECEK:

23 Q. Do you agree with your counsel's statement,

24 Mr. Johnson?

25 A. There could very well have been changes, you

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1 know, made to the chart, but I, I just, I wouldn't
2 necessarily know.
3 Q. I'm not so much worried about the chart
4 itself as opposed to the various relationships between
5 the entities.
6 MS. BIXENSTINE: I don't want to be opaque
7 here. I understand there have been some changes made
8 with respect to the international tobacco operations
9 that are not reflected in Exhibit 2. I don't know if
10 you're interested in those or not.
11 BY MR. JANECEK:
12 Q. Is that correct, Mr. Johnson?
13 A. Yes.
14 Q. Okay. Can you describe for me what changes
15 have been made with respect to the first tier
16 subsidiaries for the RJR Tobacco International
17 subsidiary?
18 MS. BIXENSTINE: Objection to the form of
19 the question. I'm not sure, but you certainly can ask
20 Mr. Johnson, whether those changes to the
21 international tobacco operations are a change to the
22 first tier subsidiaries of RJR Nabisco, Inc.
23 A. I'm not aware of any structure changes in
24 that first tier.
25 BY MR. JANECEK:

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1 Q. Okay. Well, what changes are you aware of
2 with respect to the RJR Tobacco International
3 entities?
4 A. A Netherlands company, RJ Reynolds
5 International B.V., has been incorporated, and it is a
6 subsidiary of RJR Tobacco Consolidated IHC, Inc.
7 There may be other changes. That's the only one that
8 I'm aware of.
9 Q. Mr. Johnson, I recall reading not too
10 distant in the past that RJR International had merged
11 with RJR Tobacco; is that correct?
12 A. No, huh-uh.
13 Q. Was there talk of merging those two
14 entities?
15 A. Not that I'm aware of, no.
16 Q. Mr. Johnson, what's the difference between
17 RJ Reynolds Tobacco International, Inc., and RJ
18 Reynolds International, Inc.?
19 A. I'm not sure what RJ Reynolds International,
20 Inc., is. It's noted on this chart, Exhibit 1, as
21 being an inactive company.
22 MS. BIXENSTINE: Let's go off the record.
23 (Discussion held off the record.)
24 BY MR. JANECEK:
25 Q. Mr. Johnson, next, at least distance wise

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1 below the first tier subsidiaries, are a group of
2 entities. Starting on the far left is RJR Tobacco
3 Holdings, working it's way from left to right to RJ
4 Reynolds, Inc. What are those entities or what
5 relationship do those entities have to the first tier
6 subsidiaries?
7 A. Well, the line of companies, beginning on
8 the left with RJR Tobacco Holdings IHC, Inc., moving
9 right through RJ Reynolds, Inc., as noted on the
10 chart, those companies are owned by, you know, the
11 company immediately above it. They are, I believe
12 they are all wholly-owned subsidiaries of the company
13 right above it.
14 Q. Okay. So the line connecting, for example,
15 taking the entity on the far right, RJ Reynolds
16 Tobacco International, Inc., has a line attached to
17 the next box down, which is RJ Reynolds, Inc. --
18 A. Right.
19 Q. -- and that would mean that RJ Reynolds
20 Tobacco International, Inc., owns 100 percent of RJ
21 Reynolds, Inc. Is that correct?
22 A. Yes. I believe this chart notes the
23 percentage ownership if it is less than a hundred
24 percent.
25 Q. Mr. Johnson, if, as, by way of example,

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1 again, taking RJR Trade Promotion, which looks to be a
2 subsidiary of RJ Reynolds Tobacco Company --
3 A. Right.
4 Q. -- since there's no line connecting RJR
5 Trade Promotion company to the entity we were just
6 talking about, RJ Reynolds Tobacco International, does
7 that mean that RJ Reynolds Tobacco International has
8 no ownership interest in RJR Trade Promotion?
9 A. Yes.
10 Q. Okay. So unless there is some line
11 connecting the various entities, they are not owned by
12 any common parent?
13 MS. BIXENSTINE: Objection to the form of
14 the question. You can answer if you understand it.
15 A. Well, the lines down, vertical lines,
16 indicate ownership on the chart. Unless there is a
17 percentage specified, the ownership would be 100
18 percent; if there's a percentage specified, it's what
19 that is. Now, this was effective January 31, and I
20 note that Nabisco Holdings Corp. is shown as a hundred
21 percent, but since January 31 that's been dropped to
22 roughly 80 percent.
23 BY MR. JANECEK:
24 Q. Okay. Mr. Johnson, can you tell me why RJ
25 Reynolds Tobacco Company, the first tier subsidiary of

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1 RJR Nabisco, Inc., is geographically separated from
2 the other first tier subsidiaries, beginning with RJ
3 Reynolds Tobacco International through RJRN Policy
4 Institute?
5 MS. BIXENSTINE: Objection to the form of
6 the question.
7 A. I'm not sure what you mean "geographically
8 separated".
9 BY MR. JANECEK:
10 Q. There's a large, a larger space between RJ
11 Reynolds Tobacco Company and RJ Reynolds Tobacco
12 International, Inc., than there is, for example,
13 between RJ Reynolds Tobacco International, Inc., and
14 the next first tier subsidiary Northern Brands
15 International, Inc. Can you explain that for me?
16 A. It's just the way the chart is designed.
17 You've got these first tier subsidiaries under RJ
18 Reynolds Tobacco Company with a vertical line coming
19 directly under RJ Reynolds Tobacco Company, and there
20 are a number of first tier subsidiaries. The spacing
21 on the chart, I think, just requires that.
22 Q. So that's just a, just so you can put them
23 all on the same piece of paper?
24 A. Right.
25 Q. Is the same true with respect to Nabisco,

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1 which is over on the far right, Nabisco Holdings
2 Corp.?
3 MS. BIXENSTINE: Far left.
4 BY MR. JANECEK:
5 Q. Far left.
6 A. Yes. I think it's just all, just spacing.
7 Q. Okay. Mr. Johnson, since this chart became
8 effective January 31, 1995, with respect to the RJ
9 Reynolds Tobacco International, Inc., first tier
10 subsidiary and its subsidiaries, RJ Reynolds, Inc.,
11 and RJ Reynolds, Limited, has there been any change in
12 their affiliations?
13 MS. BIXENSTINE: Objection to the form of
14 the question.
15 A. They are still owned by -- RJR Nabisco,
16 Inc., is still a hundred percent owner of RJ Reynolds
17 Tobacco International, just like it's shown on the
18 chart, and then RJ Reynolds Tobacco International,
19 Inc., has those two subsidiaries. I'm not aware of
20 any change that's noted in Exhibit 2 for those, so
21 that's, that structure is still the same.
22 Q. Okay. With respect to Expefo, I know you
23 testified that that had been merged with RJR
24 Industries. What about the Expefo subsidiaries?
25 A. I'm not aware of any change in the Expefo

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1 subsidiary Worldwide Brands, Inc. I would have to
2 look through the updates in Exhibit 2 to see if there
3 was any, any change noted. What I understood to be
4 the notation in Exhibit 2 earlier was merging Expefo
5 into whatever the company was.
6 Q. Industries.
7 A. And if that occurred, then Worldwide Brands,
8 Inc., would be a subsidiary of the company that Expefo
9 was merged into.
10 Q. Okay. What's the name of -- so Expefo, it
11 is now RJR-Nabisco Industries, Inc.? When you said
12 that the various companies merged into RJR Industries,
13 did RJR Industries keep the name?
14 MS. BIXENSTINE: Objection to the form of
15 the question. You're striking the first part of the
16 question? Well, could you repeat your question?
17 MR. JANECEK: Sure.
18 BY MR. JANECEK:
19 Q. Earlier we were talking about, you noted
20 Expefo and two other entities had merged with
21 RJR-Nabisco Industries. How does that effect
22 RJR-Nabisco Industries with respect to the names? Is
23 Expefo no longer in existence and RJR Industries is
24 the first tier subsidiary?
25 A. I have no information other than what's

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1 shown here in Exhibit 2, and that indicates to me that
2 RJR-Nabisco Industries, Inc., would be the surviving
3 company and its name would be the same.
4 Q. And then Expefo, by way of example, Expefo's
5 subsidiaries would then become RJR-Nabisco Industries'
6 subsidiaries; is that correct?
7 A. Yes.
8 Q. Okay. To continue with Expefo subsidiaries,
9 Worldwide Brands has what looks to be four
10 subsidiaries, although I note that one of them looks
11 like it's been liquidated; is that correct?
12 A. That's what's indicated on the chart.
13 Outdoor Traders International S.r.l. is footnoted as
14 being liquidated, and I don't know if that's reflected
15 in Exhibit 2 or not. Yes, Exhibit 2 does reflect that
16 Outdoor Traders International S.r.l. was liquidated.
17 Q. What page are you on, Mr. Johnson?
18 A. It's the second page.
19 Q. Okay. These are going to be separate
20 exhibits.
21 A. (Indicating.)
22 Q. Okay. Mr. Johnson, do you know the, what
23 Worldwide Brands' role is? What does that entity do?
24 A. It is involved in licensing of trademarks.
25 That's about the extent of my knowledge.

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1 Q. With respect to the Worldwide Brands
2 subsidiaries, I note that these four entities have
3 different country names associated with them. Could
4 you explain what those are?
5 A. Well, according to the chart, Worldwide
6 Brands, Inc., has four subsidiaries in the yellow
7 color, and the four indicate Hong Kong, Switzerland,
8 Italy, and Malaysia, and that's really all that I know
9 about that.
10 Q. Okay. You don't know what those country
11 identifications signify?
12 A. Oh, I'm sorry. I didn't quite understand
13 your question. It indicates that the company that's
14 indicated in the square was incorporated in that
15 country.
16 Q. Okay. So, for example, the Worldwide Brands
17 International Hong Kong is incorporated in Hong Kong?
18 A. Right; right.
19 Q. Can you tell me what the role of RJ Reynolds
20 Tobacco International, Inc., is?
21 A. Yes. Uhm, it has been a company that
22 oversaw the international companies, the international
23 operations of those companies, pursuant to an
24 arrangement with RJ Reynolds Tobacco Company.
25 (Proceedings briefly interrupted with

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1 a phone call to Mr. Donahue.)

2 MR. JANECEK: Could you just read back his

3 answer?

4 (Record read as follows:

5 "Answer: Yes. Uhm, it has been a

6 company the oversaw the international

7 companies, the international operations of

8 those companies, pursuant to an arrangement

9 with RJ Reynolds Tobacco Company."

10 Q. Mr. Johnson, which international companies

11 are you referring to? Can you identify one, for

12 example?

13 A. Yes. The companies that are indicated on

14 this chart as being subsidiaries of RJ Reynolds

15 Tobacco Company in the brown color.

16 Q. Okay. So, then, RJ Reynolds Tobacco

17 International would oversee those entities you were

18 just referring to, the subsidiaries of RJ Reynolds

19 Tobacco Company; is that correct?

20 A. Yes.

21 MS. BIXENSTINE: On the legend they are

22 denoted as orange.

23 THE WITNESS: I stand corrected.

24 MR. JANECEK: I would have said beige.

25 (Laughter.)

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1 BY MR. JANECEK:

2 Q. Mr. Johnson, what about RJ Reynolds, Inc.?

3 What is its role?

4 A. I don't know what the role of RJ Reynolds,

5 Inc., is. I don't know.

6 Q. Okay. Do you know what the role of RJ

7 Reynolds (Cyprus) Limited, is?

8 A. No.

9 Q. Are those two entities still in existence?

10 A. As far as I know. I don't recall any,

11 anything in Exhibit 2 that indicates a change. I'm

12 not aware of a change.

13 Q. Okay. Other than any changes that might --

14 MR. JANECEK: Well, strike that.

15 BY MR. JANECEK:

16 Q. Mr. Reynolds (sic), what about Northern

17 Brands International, Inc.? Do you know what its role

18 is?

19 A. No, I really don't.

20 Q. Okay. What about RJ Reynolds -- well,

21 that's the inactive one. We talked about that.

22 That's been merged.

23 How about RJR Nabisco Washington, Inc.? Do

24 you know what its role is?

25 A. It's been merged into RJ Reynolds Tobacco

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1 Company and no longer exists.

2 Q. Okay. What was its role prior to the

3 merger?

4 A. Providing legislative services, I guess you

5 would say, to other companies.

6 Q. Who do you mean by "other companies"?

7 A. RJ Reynolds Tobacco Company, the Nabisco,

8 Inc., Nabisco Holdings. That's really what I'm

9 talking about.

10 Q. Okay. You are not talking about entities --

11 A. No.

12 Q. -- not affiliated with RJR Nabisco Holdings

13 Corp.?

14 A. No.

15 Q. Okay. Do you know the role of RJR-Nabisco

16 Industries, Inc.?

17 A. No, I do not.

18 Q. Okay. Has there been any change, to your

19 knowledge, with respect to the affiliation of the

20 RJR-Nabisco Industries, Inc., subsidiaries, Global

21 Events Management, Inc., and Global Event Management

22 Limited?

23 A. Not that I'm aware of.

24 Q. What is the role of RJR Nabisco Processing?

25 A. I'm not sure what its role is. It was

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1 scheduled to be merged with RJR Industries, Inc. If
2 that has occurred, it doesn't exist any more. I don't
3 really know what it does.
4 Q. What about the RJR Group, Inc.?
5 A. I don't know.
6 Q. Okay. RJI Corporation has been merged, but
7 do you know what its role was prior to the merger?
8 A. No.
9 Q. Okay. RJR Industries, Inc., what is its
10 role?
11 A. I don't know.
12 Q. How about RJRN Policy Industries, Inc. -- or
13 Institute, Inc.?
14 A. I believe that one has been, as I recall,
15 merged out of existence too, yes. RJRN Policy
16 Institute, Inc., was scheduled to be merged with RJR
17 Industries, Inc., in November of '95.
18 (Mr. Donahue left the deposition.)
19 Q. Okay. Do you know what its role was prior
20 to the merger?
21 A. I believe it was a charitable foundation
22 kind of thing. I am not 100 percent sure.
23 Q. With respect to RJR Industries, Inc., has
24 there been any change with respect to its
25 subsidiaries? Well, let's start with the first

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1 subsidiary, RJR Tobacco Holdings?

2 A. I'm not aware of any changes. That doesn't

3 necessarily mean there haven't been any. I am just

4 not aware of any.

5 Q. Okay. Are you aware of any changes with

6 respect to the RJR Tobacco Holdings IHC, Inc.,

7 subsidiaries?

8 A. No.

9 Q. Mr. Johnson, with respect to RJ Reynolds

10 Tobacco Company, are you aware of any changes with

11 respect to the first tier subsidiaries of that

12 company?

13 A. The first tier depicted on this chart,

14 Exhibit 1?

15 Q. Yes.

16 A. I'm not aware of any changes in the first

17 tier subsidiaries of RJ Reynolds Tobacco Company as

18 depicted on the chart. Looking through the pages on

19 Exhibit 2, I don't, I don't pick up anything noted in

20 that. I'm just not aware of any changes at that

21 level.

22 Q. Mr. Johnson, I note that the RJ Reynolds

23 Tobacco Company, in the first tier subsidiary of RJR

24 Nabisco, Inc., has a subsidiary that's also identified

25 as RJ Reynolds Tobacco Company. Can you tell me what

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1 the difference between those two entities are?

2 A. Uhm, RJ Reynolds Tobacco Company in the

3 purple block, red, I guess, by the chart indications,

4 is RJ Reynolds Tobacco Company, as indicated,

5 incorporated in New Jersey. It is the company that's

6 based here in Winston-Salem. What was the other one?

7 RJ Reynolds Tobacco Company (Delaware), that's shown

8 as a wholly-owned subsidiary of RJ Reynolds Tobacco

9 Company (New Jersey), is a separate company. I

10 believe it's based, it's incorporated in Delaware but

11 its principal place of business is Puerto Rico, I

12 believe.

13 Q. What does the RJ Reynolds Tobacco Company

14 (Delaware) do?

15 (Witness reviewing chart.)

16 A. It manufactures cigarettes.

17 Q. Okay. And what would the role of RJ

18 Reynolds Tobacco Company (New Jersey) be?

19 A. I'm not sure I understand the question.

20 Q. Okay. RJ Reynolds Tobacco Company (New

21 Jersey), is that the entity that oversees the tobacco

22 side of RJR Nabisco, Inc.?

23 MS. BIXENSTINE: Objection to the form of

24 the question.

25 A. That is the company, as you can see on the

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1 chart here, it's the first tier subsidiary of RJR
2 Nabisco, Inc.; it is incorporated in New Jersey; it is
3 based here in Winston-Salem; and it's the company that
4 owns the cigarette factories here in Winston-Salem.
5 And RJ Reynolds Tobacco Company (New Jersey) owns
6 these other separate companies depicted on the chart
7 that have their own, you know, separate structure and
8 operations or whatever. One of those that we were
9 talking about was RJ Reynolds Tobacco Company
10 (Delaware), which is also a, is a separate company, it
11 is not based here in Winston-Salem, and it has its,
12 you know, own cigarette company.
13 BY MR. JANECEK:
14 Q. Mr. Johnson, we talked about the
15 geographical locations that are depicted at the bottom
16 of these boxes that are in brackets.
17 MS. BIXENSTINE: Objection.
18 Mischaracterizes the witness's testimony. He said
19 that the location in the brackets is the place of
20 incorporation, not the geographical location.
21 MR. JANECEK: Right.
22 BY MR. JANECEK:
23 Q. Taking, for example, RJ Reynolds Tobacco
24 (U.K.) Limited. What does the geographical
25 identification in the parenthesis indicate?

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1 A. U.K. is an abbreviation for United Kingdom.
2 That's just a part of the name of the company. The
3 brackets below that indicate that it's incorporated
4 under English law.
5 Q. Does the U.K. in the parens signify that RJ
6 Reynolds Tobacco (U.K.) Limited does business in the
7 United Kingdom?
8 A. Not necessarily. I mean, it's just a part
9 of a name. I don't really know why U.K. is there. I
10 note that this particular company is, we're talking
11 about one-one hundredth of a percent.
12 Q. What I'm trying to do, Mr. Johnson, is see
13 if I can understand what the parenthesis mean. For
14 example, the one next to the RJ Reynolds Tobacco
15 (U.K.) is RJ Reynolds (Portugal). Is there any
16 significance to the location identified in the
17 parenthesis?
18 A. Generally I think it would, it would
19 indicate that the company has some operations or joint
20 venture or license or whatever in that locale. I
21 think that's generally what it would mean. Now, there
22 may be some exceptions to that too.
23 Q. Mr. Johnson, I also note with respect to the
24 first tier subsidiaries of RJ Reynolds Tobacco Company
25 that while there are some that have wholly different

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1 names, like Salem Servicing, Inc., a few of the
2 entities are denoted, for example, RJ Reynolds
3 Tobacco -- that's a bad example. RJ Reynolds Tobacco
4 International (Mexico), Inc., and then other ones are
5 RJ Reynolds, I think we were just talking about U.K.,
6 RJ Reynolds Tobacco (U.K.) Limited.
7 A. Uh-huh.
8 Q. Is there any distinction that is drawn other
9 than the fact that it's the same between those
10 entities that have RJ Reynolds Tobacco International
11 with a company identification as opposed to an RJ
12 Reynolds Tobacco identification?
13 MS. BIXENSTINE: Objection to the form of
14 the question. It's vague and I think you're also
15 asking for a legal conclusion. You can answer the
16 question if you understand it.
17 A. Would you repeat it?
18 BY MR. JANECEK:
19 Q. Sure. For example, in this first tier
20 subsidiary, there's RJ Reynolds Tobacco International
21 (Mexico), RJ Reynolds Tobacco International (Asia
22 Pacific), RJ Reynolds Tobacco International (Korea).
23 They all are, have in their name "RJ Reynolds Tobacco
24 International" before the paren with the geographical
25 location.

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1 A. Right.

2 Q. And there's also RJ Reynolds Tobacco (U.K.),
3 RJ Reynolds Tobacco (Poland), RJ Reynolds Tobacco
4 (Hungary), RJ Reynolds (Thailand). Is there any
5 general rule or general reason why there's the RJ
6 Reynolds international subsidiaries and the RJ
7 Reynolds company subsidiaries?

8 MS. BIXENSTINE: Objection to the form of
9 the question. It's vague.

10 A. I'm, I'm not aware that that difference you
11 pointed out has any particular significance. It's
12 just a different name.

13 BY MR. JANECEK:

14 Q. Okay. With respect to RJ Reynolds Tobacco
15 Company S.A.E., it has two subsidiaries. Do you know
16 if there's been any change in those, the structure of
17 those subsidiaries?

18 A. You know, not that I'm aware of. I wouldn't
19 necessarily know, but I'm, not that I'm aware of.

20 Q. What about the subsidiaries of RJ Reynolds
21 Tobacco International (Asia Pacific)?

22 MS. BIXENSTINE: Objection to the form of
23 the question. You're asking if there's been a change
24 in the structure of those subsidiaries?

25 MR. JANECEK: Right.

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1 A. Again, I'm not aware of any changes.

2 BY MR. JANECEK:

3 Q. What about RJR Tobacco Consolidated? It has

4 a host of subsidiaries, actually.

5 A. Yes, yes.

6 MS. BIXENSTINE: Objection to the form of

7 the question.

8 A. You're asking if RJR Tobacco Consolidated,

9 Inc., if there's been a change in its subsidiaries?

10 BY MR. JANECEK:

11 Q. That's correct.

12 A. There is a new subsidiary that I'm aware of.

13 It has one additional subsidiary that I'm aware of.

14 Q. What is that subsidiary?

15 A. RJR International B.V.

16 Q. I'm sorry, RJR International?

17 A. B.V.

18 Q. B.V., okay. And then does RJR International

19 B.V. have any subsidiaries?

20 A. I'm not real sure. I don't know.

21 Q. Okay.

22 MS. BIXENSTINE: Frank, would this be a good

23 time for a short restroom break?

24 MR. JANECEK: Sure.

25 ///

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1 (Recess taken from

2 11:17 A.M. to 11:27 A.M.)

3 BY MR. JANECEK:

4 Q. Mr. Johnson, is there an entity known as RJ

5 Reynolds Tobacco Worldwide?

6 A. No, there is not.

7 Q. Was there such an entity?

8 A. No. That's just been a name, a label,

9 that's been used to describe both U.S.-based cigarette

10 operations and then the various international-based

11 operations. World wide incorporates everything.

12 Q. So it was never an entity; just a

13 description?

14 A. It was never an entity, right, just a

15 description.

16 Q. Mr. Johnson, what's the role of RJR Tobacco

17 Consolidated, if you know?

18 A. I really don't know.

19 Q. Okay. But RJR Tobacco Consolidated is 100

20 percent owned by RJ Reynolds Tobacco Company (New

21 Jersey)?

22 A. Yes.

23 Q. With respect to RJ Reynolds Tobacco Company

24 (New Jersey's) first tier subsidiary, RJR Tobacco

25 Eurasia, Inc. Do you know what RJR Tobacco Eurasia's

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1 role is?

2 A. No, I do not.

3 Q. RJR Tobacco Eurasia, Inc., has a host of

4 subsidiaries, starting with AO Kabisco on your left

5 through RJR Nabisco (Kiev) JSC on your right. Has

6 there been any change in the structure of those

7 subsidiaries?

8 (Witness reviewing documents.)

9 A. Looking, again, at the Plaintiff's Exhibit

10 2, it indicates that RJR Nabisco (Kiev) JSC has

11 changed its name. This exhibit also indicates that AO

12 Vostanovlenniy, AO Vostanovlenniy Tabak, has changed

13 its name, and it indicates that a new company has been

14 formed, RJR Marketing and Sales JSC, a Russian

15 corporation, is now a 95 percent owned subsidiary of

16 RJR Tobacco Eurasia, Inc. Those are the only

17 changes -- well, those are the only changes that I see

18 indicated in Exhibit 2.

19 Q. For the record, Mr. Johnson, you are

20 referring to a document which is an update effective

21 as of June 29, 1995; is that correct?

22 A. I'm referring to that document as well as to

23 a document titled "2nd Update to the 1/31/95 RJR

24 Nabisco Corporate Subsidiary Structure Chart", and

25 notes of the update is effective as of November 15,

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1995. I am referring to that document as well as the one that you referred to.

Q. Okay. With respect to the update effective June 29, 1995, I'll have the court reporter mark that as Exhibit 3.

(The document referred to was marked as Plaintiff's Exhibit 3 for identification, and attached to and made a part of this deposition.)

A. As I recall some of the answers to earlier questions that you asked me about changes to this and that, I was also referring at times to the document that is now called Exhibit 3.

Q. Mr. Johnson, can you tell me the role of RJ Reynolds Tobacco B.V.?

A. No, I don't know what it is.

Q. Okay. RJ Reynolds Tobacco B.V. has a host of subsidiaries, starting with RJ Reynolds Tobacco (MAK), on your left, through Reynolds Manufacturing Romania SRL on your right. Has there been any change in those subsidiaries?

A. I'm not aware of any. Uhm, I can, I can look through Plaintiff's Exhibit 3 and Plaintiff's Exhibit 2 to see if there's anything noted in there; but if it's not noted there, I would have no

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1 information about it.

2 Q. Okay.

3 MS. BIXENSTINE: Frank, perhaps we could

4 shortcut this by you asking Mr. Johnson if he has any

5 information about changes other than what's reflected

6 on Exhibits 2 and 3? Could we do that?

7 MR. JANECEK: Sure.

8 BY MR. JANECEK:

9 Q. Do you have any information other than is

10 reflected, any updates other than are reflected on

11 Exhibits 2 and 3 as to changes in any RJR subsidiary?

12 A. Uhm, I believe the only change I'm aware of

13 that's not reflected in Exhibits 2 and 3 is the

14 formation of the Netherlands company that I referred

15 to earlier, which is a wholly-owned subsidiary of RJR

16 Tobacco Consolidated IHC, Inc. So that's one change

17 that I'm aware of that I do not believe is reflected

18 in Exhibits 2 and 3.

19 I'm not sure that the merger of RJR Nabisco

20 Washington, Inc., into RJ Reynolds Tobacco Company, is

21 referred to in Plaintiff's Exhibits 2 and 3. It may

22 be; I'm just not sure. But other than those two,

23 there's an ownership change for Nabisco Holdings Corp.

24 The chart indicates a hundred percent ownership of RJR

25 Nabisco, and that is now approximately 80 percent

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1 ownership.

2 So what I've just told you right now are the

3 only changes that I can recall right now that are not

4 reflected in Exhibits 2 and 3.

5 MS. BIXENSTINE: Frank, so there isn't

6 confusion on the record, the Netherlands company is

7 the same company that Mr. Johnson referred to earlier

8 as RJR International B.V., I believe.

9 THE WITNESS: Yes. When I said the

10 Netherlands company in my immediately preceding

11 answer, I was referring to RJ Reynolds International

12 B.V., the Netherlands company that I testified about a

13 little while ago.

14 BY MR. JANECEK:

15 Q. And you called that the Netherlands company

16 for what reason?

17 A. Because it's incorporated in, it's under the

18 law of the Netherlands.

19 Q. Okay. Immediately prior to January 31,

20 1995, was there any change in the ultimate parent

21 corporation, RJR Nabisco Holdings Corp.?

22 MR. JANECEK: Do we have a 1994 chart?

23 MS. BIXENSTINE: I'll have to look.

24 MR. JANECEK: That was '92. I took a look.

25 (Ms. Bixenstine reviewing documents.)

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1 MS. BIXENSTINE: We don't have a chart for
2 1994. I don't know if there were any changes in 1994.
3 We have some lists that we've produced for the period
4 in between 1992 and January 31, 1995. For example,
5 there's one dated December 31st, 1994, and another one
6 dated December 31st, 1993.
7 BY MR. JANECEK:
8 Q. Mr. Johnson, I'll have the court reporter
9 mark the document identified beside RJR Nabisco
10 Holdings Corp., in the bottom right hand corner it
11 says December 31, 1994, as Exhibit Number 4. Can you
12 just tell me what that document is?
13 A. This is a listing of the subsidiaries,
14 direct and indirect, of RJR Nabisco Holdings Corp.
15 It's dated June 30, 1995, and it's a listing of RJR
16 Nabisco Holdings Corp. subsidiaries and their
17 subsidiaries and their subsidiaries and so on.
18 Q. Okay.
19 MS. BIXENSTINE: I'm not sure that you are
20 looking at the same list as Mr. Janecek. You have a
21 document dated June 30, 1995, which actually should
22 probably be attached to Exhibit 3, and I believe Mr.
23 Janecek was looking at something dated December 31st,
24 1994, which is in your stack, this one.
25 MR. JANECEK: Off the record for a second.

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1 (Discussion held off the record.)

2 (The document referred to

3 was marked as Plaintiff's Exhibit 4

4 for identification, and attached to

5 and made a part of this deposition.)

6 BY MR. JANECEK:

7 Q. With respect to Exhibit Number 4, can you

8 explain for me how this list works to reflect which

9 subsidiaries, which entities own various subsidiaries?

10 MS. BIXENSTINE: Frank, perhaps we should

11 state on the record what we just resolved off the

12 record, which is that Exhibit 4 is the list dated

13 December 31st, 1994, and Mr. Johnson had previously

14 described it as a list dated June 30th, 1995, but he

15 was just looking at a different document than the one

16 you had marked.

17 MR. JANECEK: Right.

18 A. So what is your, I'm sorry, what is your

19 question now about Plaintiff's Exhibit 4?

20 BY MR. JANECEK:

21 Q. If you could explain for me how this

22 document identifies which entities are owned by the

23 other entities.

24 A. It doesn't really identify that.

25 Q. Okay. Does this list identify all entities

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1 that are in any way wholly or partially owned by RJR
2 Nabisco Holdings Corp.? Is that what this list is?
3 MS. BIXENSTINE: Objection to the form of
4 the question. Do you mean directly or indirectly
5 owned by RJR Nabisco, Inc., or RJR Nabisco Holdings
6 Corp.?
7 MR. JANECEK: Directly or indirectly,
8 because some of them are partial ownership.
9 A. That's my understanding of what the list
10 reflects. It should show the, the companies that are
11 directly or indirectly owned by RJR Nabisco Holdings
12 Corp. It starts with its subsidiaries and then the
13 subsidiaries of that subsidiary and so on down the
14 line, but they are listed alphabetically after you,
15 the first two listed, RJR Nabisco Holdings Corp. and
16 then RJR Nabisco, Inc., and then after that they are
17 alphabetically listed.
18 Q. Okay. So from the list you couldn't tell,
19 for example, which was the direct owner of, taking the
20 first one, Airco IHC, Inc.?
21 A. No, you can't tell from this list.
22 Q. Okay. Working off of Plaintiff's Exhibit
23 Number 1, prior to, immediately prior to January 31,
24 1995, was there any difference in the structure of RJR
25 Nabisco, Inc.'s, first tier subsidiaries?

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1 A. You know, I do not recall any, any
2 differences between this chart, which is dated
3 effective January 31st, 1995, and what was in place
4 immediately prior to that. I just don't recall any
5 changes.
6 Q. Maybe we can do it this way.
7 MR. JANECEK: Kim, we will get a copy of
8 these charts made. Off the record for a second.
9 (Discussion held off the record.)
10 MR. JANECEK: We just had a discussion
11 between counsel. There are several corporate charts
12 that, as Ms. Bixenstine explained, copies were not
13 made. What we are going to do is we will mark the RJR
14 Nabisco, Inc. corporate subsidiary structure effective
15 July 15, 1992, and we will identify that as Exhibit
16 Number 5 to this deposition. Counsel for defendants
17 will forward to the court reporter a copy of that
18 chart so that it can be attached to the deposition.
19 MS. BIXENSTINE: Frank, do you want one copy
20 made or more than one copy made at your expense?
21 MR. JANECEK: Two copies, and just send one
22 to me and one to her.
23 MS. BIXENSTINE: (Nods head.)
24 BY MR. JANECEK:
25 Q. With respect to the corporate subsidiary

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1 structure chart that will be marked as Exhibit 5, we
2 were talking about any changes in the first tier
3 subsidiaries of RJR Nabisco, Inc.
4 A. I'll just have to sit here and compare the
5 charts to see.
6 (Witness reviewing documents.)
7 Yes. There are some differences between --
8 this is exhibit what?
9 Q. 5.
10 A. Between Exhibit 5 and Exhibit 1.
11 Q. Okay. Now, there's no charts that have been
12 produced between 1992 and, which is the exhibit marked
13 Number 5, and 1995, which is Exhibit Number 1. Is
14 that because there were no changes to the structure
15 between those dates?
16 A. No. I mean, I think this shows that there
17 were changes between '92 and, between July 15, 1992,
18 the date of Exhibit 5, and January 31, 1995. There
19 were changes between, between the two, if I understand
20 your question correctly.
21 Q. What about between July 15, 1992, and, say,
22 July 15, 1993? Since there's no 1993 chart, does that
23 mean that the structure would not have changed during
24 that period of time?
25 A. Not necessarily, no.

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1 Q. Okay. Is there any reason why there's,
2 there are no charts for the years 1993 and 1994?
3 A. I think the only charts that, that my office
4 had were the ones that are here, and these are just
5 periodically produced. Rather than producing a chart,
6 a new chart, every time there is a change in, you
7 know, one company on this chart, it's just done
8 periodically; but the changes between Exhibit 5 and
9 Exhibit 1, you know, would have been occurring at
10 various points in time between the dates of the two
11 exhibits.
12 Q. My question is -- I understand they are
13 changed periodically, but there's a two year gap
14 between the last two charts. Do you know if there
15 were any charts created for 1993 and 1994?
16 A. I don't know.
17 Q. Okay. Mr. Johnson, I note that the chart
18 marked as Exhibit 5 includes as a direct subsidiary of
19 RJR Nabisco Holdings Corp. an entity identified as RJR
20 Nabisco Holdings Group, Inc. What is that entity?
21 A. It is a company a hundred percent owned by
22 RJR Nabisco Holdings Corp. This doesn't indicate
23 where it was incorporated, this Exhibit 5 doesn't.
24 RJR Nabisco Holdings Group, Inc., was formed in
25 conjunction with the 1989 leveraged buyout of RJR

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1 Nabisco, Inc., and precisely, exactly what its role
2 was, I don't really recall.
3 Q. And does RJR Nabisco Holdings Group, Inc.,
4 exist today?
5 A. I don't think it exists today. I don't see
6 it indicated on the January, on Exhibit 1.
7 Q. Do you know when RJR Nabisco Holdings Group,
8 Inc., was no longer in existence?
9 MS. BIXENSTINE: Objection to the form of
10 the question.
11 A. I don't know what happened to RJR Nabisco
12 Holdings Group, Inc., or when that disposition
13 occurred.
14 BY MR. JANECEK:
15 Q. With respect to the first tier subsidiaries,
16 there's an entity called RJR Nabisco Investments, Inc.
17 What is that entity?
18 A. I'm not aware. The chart just indicates
19 that it's a subsidiary of RJR Nabisco, Inc., and that
20 this company you asked me about, RJR Nabisco
21 Investments, Inc., itself, has subsidiaries and those
22 subsidiaries have other companies that they own. I
23 don't know what the role of RJR Nabisco Investments,
24 Inc., was.
25 Q. Is RJR Nabisco Investments, Inc., still in

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1 existence?

2 A. I'd have to refer to some of the previous

3 exhibits.

4 (Witness reviewing documents.)

5 The attachment to Exhibit 2 would indicate

6 that it no longer exists. The company is not listed

7 in the attachment to this exhibit.

8 Q. Okay. Do you know if the subsidiaries of

9 RJR Nabisco Investments, Inc., still exist?

10 MS. BIXENSTINE: The first tier

11 subsidiaries?

12 BY MR. JANECEK:

13 Q. If you want to go tier by tier. If it's

14 easier with respect to all subsidiaries, otherwise

15 we'll go tier by tier.

16 A. Well, the Airco IHC, Inc., a first tier

17 subsidiary of RJR Nabisco investments, Inc., as

18 reflected on Exhibit 5, the Airco company is still in

19 existence. The RJR Nabisco Realty, Inc., also on

20 Exhibit 5, is not, is not in the listing contained in

21 Exhibit 2, indicating that it no longer exists.

22 MS. BIXENSTINE: There is a listing on

23 Exhibit 1, too, if you want to try to find it there.

24 A. RJR Nabisco (Cyprus) Limited, is shown as a

25 company existing, as indicated on Plaintiff's Exhibit

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1 1, but that is a different company that is listed here
2 on Exhibit 5. The company on Exhibit 5 is RJR Nabisco
3 and Company (Cyprus). That does indicate a different
4 name. I'm not sure if they, if that's the same
5 company with a name change or if they are, you know,
6 different companies entirely.
7 RJR Nabisco Securities, Limited (Canada), a
8 second tier subsidiary of RJR Nabisco Investments,
9 Inc., it appears that it is still in existence
10 according to the listing on Plaintiff's Exhibit 1.
11 Exhold Limited, reflected as an indirect subsidiary on
12 Exhibit 5, appears to still be in existence.
13 Iracema Industrias de Caju S.A., a second tier
14 subsidiary of RJR Nabisco investments, Inc., still
15 appears to be in existence from Exhibit 5.
16 RJR-Petro (Russia), from Exhibit 5, appears to be,
17 it's still listed on Exhibit 1.
18 Q. I believe we talked talked about that one.
19 A. Covenco Holding C.A., from Exhibit 5, is
20 still listed on Exhibit 1. Jati Industrias de Caju
21 S.A., is listed on Exhibit 5 and I do not see it
22 listed on Exhibit 1, indicating it no longer exists.
23 Compania Venezolana de Conservas C.A., an indirect
24 subsidiary of RJR Nabisco Investments, Inc., is shown
25 on Exhibit 5 and Exhibit 1, indicating it's still in

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1 existence. And then the last indirect subsidiary of
2 RJR Nabisco investments, Inc., is Compania Venezolana
3 de Conservas Convenco II, C.A. I do not see a company
4 by that name still listed on Exhibit 1, indicating to
5 me that either it doesn't exist or it's had the name
6 changed.
7 Q. Is there anything that you've produced today
8 that would let you determine whether the entities that
9 you identified as no longer in existence were either
10 liquidated or their name was changed?
11 (Witness reviewing documents.)
12 A. Well, Plaintiff's Exhibits 2 and 3 list
13 changes that were made to various companies, you know,
14 within the time frame covered by the exhibit. Uhm,
15 and I'm not sure if there are any such similar
16 documents in this stack that, you know, take you back
17 in time. I don't see anything in the documents that
18 we brought with us that would explain changes among
19 the charts that you see outside of what's in Exhibits
20 2 and 3.
21 Q. Do you know if there are any documents
22 similar to those we've marked as Exhibits 2 and 3 that
23 would explain such changes between 1992 and 1994?
24 MS. BIXENSTINE: Documents at RJ Reynolds
25 Tobacco Company as opposed to another, the parent?

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1 MR. JANECEK: Correct.

2 A. I don't know.

3 BY MR. JANECEK:

4 Q. Who would keep such documents if they

5 existed?

6 MS. BIXENSTINE: At RJ Reynolds Tobacco

7 Company?

8 MR. JANECEK: If they existed.

9 MS. BIXENSTINE: Who would keep them at the

10 parent or at RJ Reynolds Tobacco Company?

11 MR. JANECEK: Either. If they existed,

12 maybe it would be the parent that would keep them. I

13 don't know.

14 A. There may be some in files in my office at

15 RJ Reynolds Tobacco Company. I'm not sure where else

16 they would be and I don't know if there are any in my

17 files.

18 MS. BIXENSTINE: Frank, I am trying to be

19 patient here, but I don't see how anything that we've

20 covered today has any relevance at all to the subject

21 matter in the Mangini lawsuit that is the Joe Camel

22 campaign. So if you can explain it to me, I would

23 appreciate it. And if you're going to want more

24 documents, I mean, it's burdensome to search, and I

25 would like to know what the relevance of these

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1 documents is to the subject matter of this lawsuit.

2 MR. JANECEK: Just to determine how these

3 various entities are affiliated.

4 MS. BIXENSTINE: But how does that have any

5 bearing on the subject matter of the lawsuit?

6 MR. JANECEK: It would have bearing on

7 discovery; it would have bearing on where documents

8 are.

9 MS. BIXENSTINE: I don't see the relevance.

10 By the way, how much longer do you think you are going

11 to go, because I'm wondering whether we should break

12 for lunch, but if you think you're going to finish up

13 by, say, 1:00 or so, we'll keep going.

14 MR. JANECEK: We should probably break for

15 lunch whenever.

16 MS. BIXENSTINE: How long do you think you

17 are going to go today?

18 MR. JANECEK: We'll be done by the end of

19 the day, I would assume. I don't know. Do you want

20 to break for lunch now?

21 MS. BIXENSTINE: Whenever it's a convenient

22 stopping point for you.

23 MR. JANECEK: We should probably go on North

24 Carolina time. For me it's still breakfast. Whenever

25 you are ready, just let me know.

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1 MS. BIXENSTINE: Whenever you want. I don't
2 know when the cafeteria downstairs closes. Do you?
3 THE WITNESS: I don't either.
4 MR. JANECEK: What time is it, 12:15?
5 THE WITNESS: 12:15.
6 MS. BIXENSTINE: Why don't we keep going for
7 15 minutes or a half an hour.
8 MR. JANECEK: Okay.
9 BY MR. JANECEK:
10 Q. Mr. Johnson, with respect to Exhibit 5,
11 there's various handwritten notations. Do you know
12 what those are? For example next, or above the RJ
13 Reynolds Tobacco Company (New Jersey) box, there's a
14 check mark.
15 A. No. I don't know what the handwritten
16 notations indicate or who made them.
17 Q. Okay. Take a look at all of them. Is that
18 the same with respect to all of the notations? Are
19 you aware of what any of these notations mean?
20 A. You know, I really don't know what the, what
21 the notations mean. I do note that, you know, RJR
22 Archer and RJR Archer Shell, Inc., are X'd out. Those
23 companies no longer exist, but then I see there's an X
24 by RJ Reynolds Tobacco GmbH and it does exist. So I,
25 the companies with the checks by them, you know, I

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1 really don't know what they mean. I can't, the ones
2 that I see, as far as I know, they still, they still
3 all exist. I just really don't know what these, what
4 the marks mean.
5 Q. And no idea what the arrows mean?
6 A. I mean, no. I really don't. You could, you
7 know, compare the charts and see where the companies
8 are to see if you can figure out what the arrows
9 meant; but, I mean, just looking at them it doesn't, I
10 don't know what they mean.
11 Q. Okay. Mr. Johnson, with respect to this
12 chart, is it similar to the last chart in the way it's
13 set up, i.e., by way of example, RJ Reynolds Tobacco
14 Company (New Jersey) has a line drawn to a row of
15 subsidiaries, and would those subsidiaries be 100
16 percent owned by RJ Reynolds Tobacco Company unless
17 otherwise noted?
18 A. I believe that's the way this chart is set
19 up, yes.
20 Q. Okay.
21 A. Let's see. It appears that this one is set
22 up the same way, so that if less than a hundred
23 percent is owned, that lesser percentage of ownership
24 is noted on the chart.
25 Q. Okay. By way of example, to take one

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1 ownership line to its conclusion, RJ Reynolds Tobacco
2 Company is 100 percent owner of RJR Tobacco
3 Consolidated IHC, Inc.; is that correct?
4 A. Yes. That's what the chart would indicate.
5 MS. BIXENSTINE: This was as of July 15th,
6 1992?
7 MR. JANECEK: Yes. This is on Exhibit 5.
8 BY MR. JANECEK:
9 Q. And then RJR Tobacco Consolidated IHC is 100
10 percent owner of RJR-Macdonald (Canada)?
11 A. That's what this chart shows, yes.
12 Q. And is 73.92 percent owner of RJ Reynolds
13 Tobacco GmbH?
14 A. Yes. That's what the chart shows.
15 Q. And then that company is 100 percent owner
16 of CGM -- can you read that?
17 MS. BIXENSTINE: It's up here,
18 CGM-Cooperation GmbH.
19 A. Yes. The chart shows that RJ Reynolds
20 Tobacco GmbH is a hundred percent owner of this
21 CGM-Cooperation GmbH.
22 BY MR. JANECEK:
23 Q. And then the last subsidiary is STAR France
24 S.A.R.L.?
25 A. Yes. It shows a hundred percent ownership

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1 by the CGM company.

2 Q. And then, since there are no other lines

3 coming from STAR, that would mean that subsidiary

4 doesn't own any other RJR subsidiaries?

5 A. Yes, that is correct.

6 MR. JANECEK: Okay. We should probably take

7 a break.

8 MS. BIXENSTINE: Okay. Is this a good time

9 for lunch?

10 MR. JANECEK: Yes.

11 (Lunch recess taken from

12 12:20 P.M. to 1:05 P.M.)

13 EXAMINATION (CONTINUED)

14 BY MR. JANECEK:

15 Q. Mr. Johnson, I've handed you another chart

16 that's entitled RJR Nabisco, Inc., Corporate

17 Subsidiary Structure, effective June 15, 1990. We'll

18 also forward, your counsel will also forward a copy of

19 this chart to the court reporter to mark as Exhibit 6

20 to this deposition.

21 Taking a look at this chart, with respect to

22 the ultimate parents, this chart also has an

23 additional entity entitled RJR Nabisco Capital

24 Corporation. What was that entity?

25 A. On this exhibit -- What is this, Exhibit 6?

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1 Q. Six.

2 A. -- RJR Nabisco Capital Corp. is shown to be
3 a wholly-owned subsidiary of RJR Nabisco Holdings
4 Group, Inc., which would make it a second tier
5 subsidiary of RJR Nabisco Holdings Corp. The company
6 that I'll call for the time being Capital Corp., I'm
7 not sure what its function was. It was created, as I
8 recall, as a part of the leveraged buyout of RJR
9 Nabisco in 1989, and it is no longer a part of the
10 corporate structure, and it was connected with the
11 financing for that, and that's really about all I
12 know.

13 Q. Okay. And, again, does this chart work
14 similar to the charts attached as Exhibit 5 and
15 Exhibit 1, in that if there's a line connecting an
16 entity, that shows the ownership of that sub entity;
17 and if there's any, if it's less than 100 percent
18 ownership, there would be a denotation as to the
19 percent ownership?

20 A. Yes. I believe it does, yes.

21 Q. Mr. Johnson, this chart also has various
22 handwritten notations, actually they are check marks
23 next to a bunch of the subsidiaries. Do you know what
24 those check marks denote?

25 A. No, I don't.

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1 Q. Mr. Johnson, this chart, Exhibit 6 -- maybe
2 Ms. Bixenstine, you can answer -- one of the entities,
3 there's two shades of red. One of the entities has a
4 very bright shade of red and the rest of the
5 subsidiaries are a less bright shade of red. Can you
6 explain what the difference is in the coloration?
7 MS. BIXENSTINE: I only know what's
8 indicated on the legend. Is there a question pending?
9 BY MR. JANECEK:
10 Q. Well, do you know if there's any, what the
11 significance of the bright red is?
12 A. No, I do not.
13 Q. What about the bright blues down on the
14 Nabisco side?
15 A. I don't know what the significance of the
16 bright blue is either.
17 Q. With respect to Exhibit 6, the index on the
18 left hand side, is that similar to the index that you
19 were using with respect to Exhibits 1 and 5, in that
20 it identifies all of the RJ, actually, all of the
21 subsidiaries that were in existence at the time of the
22 chart?
23 A. It, it would be a listing of all the
24 different companies that are shown on the chart with
25 an indication of a way to locate that company on the

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1 chart with the numbers and letters outside each
2 company name, which I believe is the similar setup
3 that was used in Exhibits 5 and 1.
4 (The document referred to
5 was marked as Plaintiff's Exhibit 6
6 for identification, and attached to
7 and made a part of this deposition.)
8 Q. Mr. Johnson, as with the last couple of
9 exhibits, this exhibit is entitled RJR Nabisco, Inc.,
10 Corporate Subsidiary Structure, post-reorganization
11 4/28/89 with an asterisk. Your counsel is going to
12 provide a copy of this chart to the court reporter to
13 mark as Exhibit 7. Can you generally describe what
14 this document is?
15 A. It's just another chart of companies that
16 are owned directly and indirectly by RJR Holdings
17 Corp., all the subsidiaries of that company and its
18 subsidiaries, et cetera. That's what it is.
19 Q. And is this chart set up similarly to the
20 charts attached as Exhibits 1, 5, and 6, in that the
21 line from one entity to another shows direct ownership
22 and then if there's any, if it's less than 100 percent
23 there's a denotation as to the percentage of
24 ownership?
25 A. Yes. I believe it appears to be the same

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way. This chart does have a, what is labeled a partial ownership listing, where all the companies that are not a hundred percent owned are listed.

Q. Mr. Johnson, I direct your attention to the subsidiary entitled RJR Tobacco Consolidated, IHC, Inc.

A. Right.

Q. Similar to Exhibit 5, excuse me, Exhibit 6, this entity is a different color red than the other entities that are shaded in red. Do you know why this entity is, or what this difference in color denotes?

A. No, I do not.

Q. What about with respect to the orange entities where there are two entities, Airco IHC and DM IHC, actually three entities, and, looks like, Mike Mac IHC, where they are a different shade of orange than the other entities?

A. No, I don't know why there are two shades of orange.

Q. What about the differences in the shades of blue?

A. No, I don't know why there are two shades of blue.

Q. And is this chart set up similar to the last charts with respect to the direct ownership being

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1 denoted by a line? Actually, I think we asked that
2 question on this one.
3 A. Yes. The vertical line indicates ownership
4 of the stock of the company immediately below.
5 Q. This chart's entitled, or it's post-
6 reorganization 4/28/89. Is this structure, since the
7 reorganization, different than pre 4/28/89?
8 A. Yes.
9 (The document referred to
10 was marked as Plaintiff's Exhibit 7
11 for identification, and attached to
12 and made a part of this deposition.)
13 Q. Did the LBO take place or was it finalized
14 sometime in April of 1989?
15 A. It was in March or April of 1989. I don't
16 remember the exact date, but it was March or April of
17 1989.
18 Q. Can you describe for me the differences in
19 the organizational structure pre LBO and post LBO?
20 A. I, I really, I really can't except in some,
21 a little general comments. Prior to the LBO the
22 ultimate parent entity was RJR Nabisco, Inc. After
23 the LBO, RJR Nabisco, Inc., is like a third tier
24 subsidiary of a new ultimate parent entity, RJR
25 Holdings Corp. Uhm, other than that, I am not sure

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1 what the other changes were.

2 Q. Were most of the changes pre LBO, did those

3 affect the RJR Nabisco, Inc., entity, as opposed to

4 the lower-tiered subsidiaries?

5 MS. BIXENSTINE: Objection to the form of

6 the question. Do you mean the changes between --

7 strike that. Do you mean changes caused by the LBO?

8 MR. JANECEK: Correct.

9 MS. BIXENSTINE: And you mean did they

10 affect the holding company structure as opposed to the

11 operating subsidiary structure?

12 MR. JANECEK: That's right.

13 BY MR. JANECEK:

14 Q. As opposed to the operating subsidiaries,

15 where was most of the -- as a result of the LBO, where

16 was the change, what was the focus of the change?

17 MS. BIXENSTINE: If you know.

18 A. Well, there were the changes that I just

19 referred to a minute ago where RJR Nabisco becomes a

20 third tier subsidiary of RJR Holdings Corp., and there

21 are two other companies between RJR Nabisco and RJR

22 Holdings Corp. That was not the only change. There

23 were some changes below RJR Nabisco, Inc. I don't

24 know exactly what they were. I just don't know.

25 Q. Were there more changes in any one area than

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1 any other? For example, the RJR Nabisco Investments
2 versus the other first tier subsidiaries?
3 MS. BIXENSTINE: Objection to the form of
4 the question.
5 A. Would you repeat the question, please?
6 BY MR. JANECEK:
7 Q. Sure. Was there any, with respect to
8 subsidiaries below RJR Nabisco, Inc., was there any
9 one group of subsidiaries that were more affected than
10 the other groups?
11 MS. BIXENSTINE: What do you mean by group?
12 MR. JANECEK: For example, the RJR Nabisco
13 Investments subsidiaries as opposed to the Nabisco
14 Brands subsidiaries as opposed to the RJR Reynolds
15 Tobacco subsidiaries.
16 A. I don't, I don't really know.
17 BY MR. JANECEK:
18 Q. Okay. Do you have any organizational charts
19 of the, prior to the LBO?
20 A. I don't know if we do or not.
21 MS. BIXENSTINE: I checked with Mr.
22 Johnson's office and this was all I got.
23 THE WITNESS: These were the only charts, I
24 think, that we had.
25 BY MR. JANECEK:

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1 Q. Do you have any of the listings that we were
2 talking about earlier that would pre date the LBO?
3 A. I don't, I don't know.
4 Q. Who would know if such documents did exist?
5 MS. BIXENSTINE: At Reynolds Tobacco?
6 MR. JANECEK: In general who.
7 MS. BIXENSTINE: Well, look, all of these
8 charts and lists that have been prepared were prepared
9 by the RJR Nabisco, Inc., legal department. But if
10 you are asking who at the tobacco company would know,
11 I believe it's Mr. Johnson, and we checked his office.
12 We can look and see if there's anything else in
13 another spot, but I believe we've produced what was
14 available.
15 BY MR. JANECEK:
16 Q. You personally pulled these charts?
17 A. Me personally?
18 Q. (Nods head.)
19 A. No.
20 Q. Who pulled these charts for you?
21 A. My secretary.
22 Q. When did RJR, RJ Reynolds Tobacco and RJ,
23 excuse me, and Nabisco, Inc., merge?
24 A. Ask me that again.
25 Q. When did RJ Reynolds Tobacco Company and

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1 Nabisco Brands merge?

2 MS. BIXENSTINE: Objection. It assumes

3 facts not in evidence.

4 A. They did not merge. RJ Reynolds Tobacco

5 Company is, the New Jersey corporation, is still in

6 existence and has been since I guess sometime in the

7 late 1800s, so it did not merge with Nabisco Foods or

8 Nabisco Brands.

9 BY MR. JANECEK:

10 Q. When did RJR Nabisco, Inc., come into

11 existence?

12 A. I'm not sure of the exact date, but it would

13 be in 1986, approximately, maybe '85.

14 Q. And what did they do? Did they enter a

15 partnership?

16 MS. BIXENSTINE: Objection to the form of

17 the question. I don't understand it.

18 A. No. Uhm, no, there were --

19 MS. BIXENSTINE: Did who form a partnership?

20 MR. JANECEK: Nabisco and RJ Reynolds

21 Tobacco.

22 BY MR. JANECEK:

23 Q. What would the, what is the nature of RJR

24 Nabisco, Inc.? How did it come about?

25 A. Okay. There was a company called RJ

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1 Reynolds Industries, Inc., which was a parent holding
2 company and owned 100 percent of the stock of RJ
3 Reynolds Tobacco Company, among, you know, other
4 companies. RJ Reynolds Industries, Inc., merged with
5 Nabisco, and I'm not sure if the name was Nabisco
6 Foods, Nabisco Brands, but whatever the ultimate
7 parent company was in its organization; and after that
8 merger, the name of RJ Reynolds industries, Inc., was
9 changed to RJR Nabisco, Inc., and I don't recall if
10 that was simultaneous with the acquisition or some
11 months thereafter. And I may not have technically
12 described correct the corporate entities, but at the
13 end of the line RJ Reynolds Industries, Inc., became
14 the owner of Nabisco Brands, and RJ Reynolds
15 Industries, Inc., changed its name.
16 Q. Between, once the merger with RJR
17 Industries, Inc., and Nabisco, whatever the Nabisco
18 entity was, in '85 or '86, and the LBO in 1989, was
19 RJR Nabisco, Inc., the ultimate parent?
20 A. Yes. RJR Nabisco, Inc., was the parent
21 holding company for RJ Reynolds Tobacco Company, the
22 Nabisco companies, and any other companies in the RJR
23 Nabisco groups.
24 Q. Prior to the RJR Industries and Nabisco
25 merger, was RJR Industries the ultimate parent of RJ

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1 Reynolds Tobacco Company?

2 MS. BIXENSTINE: Objection. Asked and

3 answered.

4 A. RJ Reynolds Industries, Inc., was the parent

5 company of RJ Reynolds Tobacco Company (New Jersey).

6 BY MR. JANECEK:

7 Q. What other first tier subsidiaries were

8 there under RJR Industries, Inc.?

9 A. That I don't know what, when you're talking

10 about -- that would change, you know. What companies

11 it owned first tier or even, you know, below that,

12 would change, you know, over time.

13 Q. I'm talking immediately prior to the

14 industries and Nabisco merger.

15 A. Let me see if I can remember, and I may get

16 some of these wrong.

17 Q. If it would help, you can refer to the

18 chart. I don't know if it would or wouldn't.

19 A. Let me see it. No, this is a couple years

20 later.

21 The first tier subsidiaries of RJ Reynolds

22 Industries, Inc., immediately prior to the merger of

23 Nabisco, with Nabisco, would have been: RJ Reynolds

24 Tobacco Company; RJ Reynolds Tobacco International,

25 Inc.; Heublein, Inc.; Sea-Land Service, Inc., may have

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been a subsidiary at that time, it was sold or rather spun off and I can't remember if that occurred prior to or after the merger with Nabisco; Aminoil, Inc., was a first tier subsidiary of RJ Reynolds Industries, Inc., and, again, that was a company that was sold by RJ Reynolds Industries and I really can't remember if that was pre or post Nabisco; Delmonte Corporation may have been a first tier subsidiary of RJ Reynolds Industries, Inc., I'm not sure, or it may have been down in the structure somewhat. That's all I can recall right now.

Q. With respect to RJR Tobacco International, when did that entity come into existence, if you know?

A. I don't know exactly, but I think it was in the 19, mid 1970s.

Q. Prior to the Industries and Nabisco merger, what was RJR Tobacco International's role?

MS. BIXENSTINE: Immediately prior?

MR. JANECEK: Yeah.

A. It was, pursuant to an arrangement with RJ Reynolds Tobacco Company, it oversaw the foreign company tobacco operations.

BY MR. JANECEK:

Q. Has its role changed between the time that, of the Industries and Nabisco merger and the present?

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1 A. There are, right now there are some changes
2 taking place in its role. The company that I referred
3 to earlier as RJ Reynolds International B.V. will
4 assume that, the oversight role of RJ Reynolds Tobacco
5 International, Inc., and RJ Reynolds Tobacco
6 International, Inc. and some of the foreign-based
7 companies may purchase cigarettes from one of the
8 other companies within the RJR umbrella. And that
9 will change somewhat. I'm not intimately familiar
10 with this, but the B.V. company will wind up having
11 other affiliates contract manufacture cigarettes for
12 it.
13 MS. BIXENSTINE: Frank, let me state for the
14 record that the testimony that Mr. Johnson has just
15 given about plans for this new company may be
16 confidential and competitively sensitive, so I'd like
17 to designate this testimony as confidential pursuant
18 to the protective order in this case.
19 BY MR. JANECEK:
20 Q. Between the time of the Industries and
21 Nabisco merger and whenever RJ Reynolds International
22 B.V. comes into play, was RJ Reynolds Tobacco
23 International, Inc.'s, role the same?
24 MS. BIXENSTINE: Objection to the form of
25 the question.

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1 A. Generally speaking, I think it was. There
2 may have been, you know, changes over time that I'm
3 not aware of, but I, I just can't think of anything
4 that was a material change. There may have been and I
5 just may not be aware of it.
6 BY MR. JANECEK:
7 Q. It has been the, "it" being RJ Reynolds
8 Tobacco International, has been the entity,
9 historically, that's overseen the foreign cigarette
10 subsidiaries?
11 A. Yes.
12 Q. Mr. Johnson, when you use the term
13 overseeing or oversaw, oversees those subsidiaries,
14 what do you mean by that? Can you give me a little
15 detail?
16 A. It, you know, reviews their operations, the
17 results of their operations and their plans, looks at
18 the, you know, financial results, keeps track of
19 those. That's really what I'm talking about.
20 Q. Okay. Is it responsible for its own
21 planning or long-range planning for those companies?
22 MS. BIXENSTINE: Objection to the form of
23 the question. It's compound.
24 A. Well, each company would be, you know,
25 having its own operations, making its plans; and I'm

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1 confident that would be reviewed, but you are asking
2 me about things that I'm not involved in. I'm not
3 involved in the domestic operations. I'm not really
4 sure.
5 Q. Uh-huh.
6 MS. BIXENSTINE: Do you mean international
7 operations?
8 THE WITNESS: Yes. I am not involved in
9 international operations.
10 BY MR. JANECEK:
11 Q. I'm just trying to determine if RJ Reynolds
12 Tobacco International's role is more of an information
13 gatherer and reporting entity as opposed to one of
14 determining what RJ Reynolds' plans for the foreign
15 markets was going to be or if it was both?
16 MS. BIXENSTINE: Objection to the form of
17 the question. When you say RJ Reynolds' plans, what
18 do you mean? We've been talking about RJ Reynolds
19 usually as RJ Reynolds Tobacco Company, which is the
20 defendant in this case, which is incorporated in New
21 Jersey. I object to the question. It's vague and
22 ambiguous.
23 A. Well, I, as far as I know the various
24 companies and the various countries, you know, made
25 their own plans, and I'm, they would have been looked

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1 at by RJ Reynolds Tobacco International, Inc.; but,
2 you know, I just have to say I am not involved in all
3 that.
4 BY MR. JANECEK:
5 Q. Okay. Mr. Johnson, I'll hand you a document
6 which we'll have the court reporter mark as Exhibit 8.
7 It's a document entitled RJR Nabisco Holdings Corp.,
8 and in the bottom right hand corner it has a notation
9 December 31, 1993, Page 1, revised July 27, 1994,
10 sub-1993. Can you generally tell me what this
11 document is?
12 A. It is a listing of companies, a listing in
13 alphabetical order of, a listing of companies that are
14 owned directly or indirectly by RJR Nabisco Holdings
15 Corp. That's prepared as of, looks like, July of
16 1994.
17 Q. Will this document let the reader determine
18 how, or, excuse me, the ownership of any given
19 subsidiary that's listed?
20 A. Will it tell you who owns any particular,
21 any company listed here?
22 Q. That's correct.
23 A. No, it won't tell you who is the direct
24 parent of the various companies.
25 Q. Mr. Johnson, the bottom left hand corner

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1 carries a small legend, looks like asterisk, one
2 asterisk is inactive. What does inactive mean?
3 A. There are no, there's no function being
4 performed by the company at that time.
5 Q. Two asterisks states in liquidation. What
6 does that mean?
7 A. That would mean that the company's being
8 dissolved, being done away with in one form or
9 fashion.
10 Q. And three asterisks denotes partnership.
11 What does that mean?
12 A. That would mean that a name with three
13 asterisks by it is a partnership rather than a
14 corporate entity.
15 Q. Will this document identify who the partners
16 are in such partnerships?
17 A. I don't believe it would.
18 Q. Mr. Johnson, the last remark, four
19 asterisks, is next to the word nameholder. What does
20 that mean?
21 A. Just a company formed with a particular name
22 that for some reason somebody wanted to reserve the
23 name in the corporate records of wherever you've
24 incorporated.
25 Q. And that would be different than inactive;

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1 is that correct?

2 A. Yes.

3 Q. What would the difference be?

4 A. Nameholder is that the name is being held,

5 the corporation's formed and the name is being held

6 which others couldn't use that same name, other

7 companies couldn't use the same name. Inactive

8 indicates, to me at least, that there is no nameholder

9 role for the inactive company, and it's just a company

10 that's there but it's not doing anything.

11 Q. Okay. Would a company that has the inactive

12 next to it be a company that had done business as

13 opposed to a nameholder that someday in the future

14 might do business?

15 MS. BIXENSTINE: Objection.

16 A. I don't, you can't, you can't really tell.

17 I don't know.

18 BY MR. JANECEK:

19 Q. Okay. It's not that simple, then?

20 A. No.

21 (The document referred to

22 was marked as Plaintiff's Exhibit 8

23 for identification, and attached to

24 and made a part of this deposition.)

25 Q. Mr. Johnson, I'll hand you a document which

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1 we'll have the court reporter mark as Exhibit Number
2 9. It's entitled RJR Nabisco Holdings Corp. with the
3 legend on the bottom right hand corner as stating
4 December 31, 1992, Page 1, revised February 5, 1993.
5 Can you generally describe what this document is?
6 A. It's the same kind of document that Exhibit
7 8 was. The difference is that this document I'm
8 holding, I'm looking at now, is prepared as of
9 February 5, 1993. It's an earlier version of Exhibit
10 6.
11 Q. Do you mean Exhibit 8?
12 A. Exhibit 8. It's an earlier version of
13 Exhibit 8, yes, that's right.
14 Q. Similar to Exhibit 8 -- or is this document
15 similar to Exhibit 8 in that it will not describe
16 which subsidiaries are owned by which other
17 subsidiaries?
18 A. Yes, it is.
19 MS. BIXENSTINE: Directly. It shows that
20 they are all owned by RJR Nabisco Holdings Corp.
21 BY MR. JANECEK:
22 Q. Does this document show that?
23 A. Well, the indications are RJR Nabisco -- all
24 the companies are in alphabetical order with exception
25 of the first two, those two being RJR Nabisco Holdings

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1 Corp. and RJR Nabisco, Inc., and you really, you know,
2 you really can't tell who directly owns which
3 companies on this document, if that's what you're
4 asking.
5 MS. BIXENSTINE: But I don't want the record
6 to be unclear, Mr. Janecek. All of the companies
7 listed on Exhibit 9 as well as Exhibit 8 and the other
8 exhibits we've marked here today are all directly or
9 indirectly owned by RJR Nabisco Holdings Corp. or its
10 predecessor, which I believe was RJR Holdings Corp.
11 A. Is there a question for me?
12 BY MR. JANECEK:
13 Q. No. Mr. Johnson, the legend on the bottom
14 left hand corner also has the words inactive, in
15 liquidation, partnership, and nameholder. Are those
16 remarks, do those remarks have the same meaning as the
17 remarks on Exhibit 8 that we just discussed?
18 A. Yes, they do.
19 (The document referred to
20 was marked as Plaintiff's Exhibit 9
21 for identification, and attached to
22 and made a part of this deposition.)
23 Q. Mr. Johnson, I'll hand you a document which
24 I'll have the court reporter mark as Exhibit 10. This
25 document is entitled RJR Nabisco Holdings Corp., and

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1 at the bottom right hand corner it is denoted December
2 31, 1991, Page 1, revised February 20, 1992. Can you
3 generally describe what this document is?
4 A. It's the same type of listing that are
5 contained in Exhibits 8 and 9. This one shows the
6 direct and indirect subsidiaries of RJR Nabisco
7 Holdings Corp., and it's prepared as of February 20,
8 1992. It's an earlier version of Exhibits 8 and 9.
9 Q. And this document similarly will not denote
10 which entities own any other entity, with the
11 exception of RJR Nabisco Holdings Corp.?
12 MS. BIXENSTINE: Objection to the form of
13 the question.
14 A. This document indicates that all the
15 companies are owned by RJR Nabisco Holdings Corp.
16 directly or indirectly, but it does not tell you
17 within the alphabetical listing which company owns
18 which company.
19 BY MR. JANECEK:
20 Q. Mr. Johnson, with respect to the legend in
21 the left hand corner, one asterisk, inactive, does
22 that have the same meaning with respect to this
23 document as the documents we previously discussed?
24 A. Yes.
25 Q. With respect to the next item, it's got two

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1 asterisks, being liquidated. What does that mean?

2 A. The same thing as in liquidation, the

3 indication in liquidation on the earlier exhibits, 8

4 and 9.

5 Q. Okay. With respect to the next item,

6 company in receivership, what does that mean?

7 A. I'm not a hundred percent sure about that.

8 I don't know.

9 Q. If you could turn to Page 3 of that

10 document.

11 A. (Complies.)

12 Q. I note that the subsidiary entitled Mexican

13 Foods Limited has three asterisks. Does that assist

14 you in determining what that means?

15 A. No. I just don't know.

16 Q. Okay.

17 (The document referred to

18 was marked as Plaintiff's Exhibit 10

19 for identification, and attached to

20 and made a part of this deposition.)

21 Q. Mr. Johnson, I've handed you a document

22 which I'll have the court reporter mark as Exhibit 11

23 to this deposition. It's entitled RJR Nabisco

24 Holdings Corp. with the bottom right hand corner

25 denoting December 31, 1990, Page 1, revised April 18,

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1991. Can you generally describe what this document is?

A. This is the April 18, 1991, version of the documents we've looked at in Exhibits 8, 9, and 10.

Q. Okay. And similar to those documents, this document will not identify which entities are the direct owners of any of the other entities with the exception of the RJR Nabisco Holdings --

A. The listing of this document is, is the same. This document uses the same method of listing companies as in 8, 9, and 10. It's the same layout of information.

Q. And with respect to the legend, one star being inactive, two being liquidated, three company in receivership, and four nameholder, are those remarks similar to the remarks that we previously discussed with respect to Exhibits 8, 9, and 10?

A. Yes.

(The document referred to was marked as Plaintiff's Exhibit 11 for identification, and attached to and made a part of this deposition.)

Q. Mr. Johnson, I'll hand you a document which I'll have the court reporter mark as Exhibit 12. It's a document entitled RJR Nabisco, Inc., with the bottom

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1 right hand corner denoting December 31, 1989, Page 1,
2 revised April 4, 1990. Can you generally describe
3 what this document is?
4 A. This is a listing of the subsidiaries of RJR
5 Nabisco, Inc. The listing of the subsidiaries is --
6 now, these are direct and indirect subsidiaries. The
7 listing is in alphabetical order and by each company
8 the date of incorporation, place of incorporation is
9 specified. It's prepared as of April 4, 1990. This
10 document is similar to Exhibits 8, 9, 10, and 11, the
11 primary difference being that this one is a listing of
12 direct and indirect subsidiaries of RJR Nabisco, Inc.;
13 the others, the ultimate parent company on those
14 documents was RJR Nabisco Holdings Corp.
15 Q. Is the reason that this document is for RJR
16 Nabisco, Inc., is that this document reflects the
17 structure or at least the entities prior to the LBO we
18 were discussing earlier?
19 A. Well, this document is prepared as of April
20 4, 1990, and that would have been approximately a year
21 after the LBO.
22 Q. Okay. Do you know why there's no entry for
23 RJR Holdings Corp. on this document?
24 A. No, huh-uh. I do not know.
25 Q. At the point in time that this document

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1 reflects, RJR Holdings Corp. would have been a direct
2 or indirect owner of RJR Nabisco, Inc.; is that
3 correct?
4 A. RJR Nabisco Holdings Corp. would have been a
5 direct or indirect owner of RJR Nabisco, Inc.?
6 Q. Yes. Is that correct?
7 A. Yes.
8 (The document referred to
9 was marked as Plaintiff's Exhibit 12
10 for identification, and attached to
11 and made a part of this deposition.)
12 BY THE WITNESS:
13 A. Let me go back to my last answer and say
14 that I am, I believe I said that RJR Nabisco Holdings
15 Corp. would have been the direct or indirect owner of
16 RJR Nabisco, Inc., as of April 4, 1990.
17 Q. Uh-huh.
18 A. I'm not sure that that is correct. Looking
19 at Plaintiff's Exhibit 7, prepared as of April of '89,
20 RJR Nabisco Holdings Corp. is not listed as a direct
21 or indirect owner of RJR Nabisco, Inc., and I'm not
22 sure at what point in time that company became a part
23 of that structure.
24 Q. Does Exhibit 6 refresh your recollection as
25 to?

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1 MS. BIXENSTINE: To what?

2 MR. JANECEK: To what we were just

3 discussing.

4 A. Exhibit 6 indicates to me that RJR Nabisco

5 Holdings Corp. was in existence as an ultimate parent

6 company on June 15, 1990, but it still doesn't tell me

7 when it was formed or had that name put on another

8 company or whatever.

9 BY MR. JANECEK:

10 Q. Mr. Johnson, how long have you been vice

11 president for RJ Reynolds Tobacco?

12 A. I've had my current title since January of

13 1995.

14 MS. BIXENSTINE: The current title of vice

15 president or the current title of deputy general

16 counsel and secretary?

17 THE WITNESS: Vice president, deputy general

18 counsel, and secretary, since January of 1995.

19 BY MR. JANECEK:

20 Q. What was your title prior to January of

21 1995?

22 A. Staff vice president, assistant general

23 counsel, assistant secretary.

24 Q. And how long did you hold that title?

25 A. For about five years.

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1 Q. Prior to being the staff vice president and
2 assistant deputy general counsel, were you working
3 with Reynolds?
4 A. Yes. My title was assistant general
5 counsel. That was a part of my title. Not assistant
6 deputy general counsel.
7 Q. I'm sorry.
8 A. But prior to having that title, yes, I was
9 working with RJ Reynolds Tobacco Company.
10 Q. And what was your title prior to being the
11 staff vice president and assistant general counsel?
12 A. Assistant general counsel, I believe was my
13 title.
14 Q. Mr. Johnson, we're looking at Exhibit 1
15 right now. Can you tell me the various reporting, in
16 general, I don't want to go specific, but generally
17 the various reporting requirements going from the
18 direct owner of a subsidiary, actually a subsidiary to
19 the direct owner?
20 MS. BIXENSTINE: Objection to the form of
21 the question. The word reporting has multiple
22 meanings and maybe you should explain what you mean.
23 BY MR. JANECEK:
24 Q. What I'm talking about is trying to get a
25 handle on how information flows through RJ Reynolds,

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1 actually through the RJ entities, so with respect to
2 who would oversee or be given information about the
3 goings on of any given subsidiary?
4 MS. BIXENSTINE: Objection to the form of
5 the question. It's very broad. I don't know what you
6 mean by what type of information and what you mean by
7 goings on, for example. It's vague and very broad.
8 It also assumes that there is this flow of information
9 generally.
10 BY MR. JANECEK:
11 Q. Do subsidiaries typically make periodic
12 reports of the status of the company?
13 MS. BIXENSTINE: Financial status?
14 MR. JANECEK: We'll start with financial
15 status.
16 MS. BIXENSTINE: To its parent?
17 MR. JANECEK: If they just make them.
18 MS. BIXENSTINE: Make them to whom?
19 MR. JANECEK: A written report.
20 MS. BIXENSTINE: Well, I don't know what you
21 mean. I mean, they probably file taxes and may file
22 reports of various government entities. I think you
23 need to make your question more specific. I object to
24 the form of the question.
25 ///

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1 BY MR. JANECEK:

2 Q. You may answer the question if you can

3 answer it.

4 A. Uhm, RJR Nabisco Holdings Corp. has to

5 report to the Securities & Exchange Commission and to

6 its shareholders the results of operations, the

7 earnings and, you know, the other things that are

8 material to its shareholders. The financial

9 information needed to do that has to come from the

10 various companies that operate and actually generate

11 the results. Does that answer your question?

12 Q. Right. So the question is: Do these

13 various subsidiaries make periodic reports, either

14 quarterly, bi-annually, annually, of the status, the

15 earnings, what they have done?

16 MS. BIXENSTINE: To whom?

17 MR. JANECEK: Do they just generate those

18 reports.

19 MS. BIXENSTINE: Objection to the form of

20 the question.

21 A. Well, there is information periodically that

22 has to be passed along, financial information. How

23 that's done or when it's done, but the financial

24 information has to get consolidated so that RJR

25 Nabisco Holdings Corp. has a picture. How that's, the

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1 mechanics of doing that, I don't, I don't know.

2 BY MR. JANECEK:

3 Q. Do you know if that's done from subsidiary

4 to its direct parent?

5 MS. BIXENSTINE: Objection, assumes facts

6 not in evidence.

7 BY MR. JANECEK:

8 Q. Let's take an example.

9 A. Let me -- if you're asking me how this

10 financial information is consolidated, I don't really

11 know.

12 Q. Okay. What about planning information? Do

13 you have any information on how plans for any given

14 subsidiary are to be reported to the various patients?

15 MS. BIXENSTINE: Objection to the form of

16 the question. The word planning is also vague and has

17 multiple meanings. There are certain types of plans

18 or budgets that are encompassed by that, but there may

19 be plans for specific operations or other things, so,

20 again, I object to the form of the question as being

21 vague and overbroad.

22 MR. JANECEK: I'm talking about strategic

23 plans for a year in the future, two years in the

24 future, however far RJ Reynolds plans in advance.

25 MS. BIXENSTINE: And I object to RJ

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1 Reynolds, about what entity you are talking about. If
2 you are talking about RJR Nabisco Holdings Corp. and
3 its subsidiaries, or RJ Reynolds Tobacco Company,
4 that's unclear on the record.
5 A. The strategic and financial plans that
6 I'm -- I'm unfamiliar with plans of the, you know,
7 vast majority of companies on this chart. The one
8 that I have had, do have some familiarity with is RJ
9 Reynolds Tobacco Company (New Jersey), and RJ Reynolds
10 Tobacco Company prepares a financial plan or a budget,
11 I guess you would say, annually, that, you know,
12 outlines how you anticipate spending your money, what
13 you anticipate taking in, and what you anticipate the
14 bottom line to be. And that information is reviewed
15 with RJR Nabisco, Inc., and I think there are some
16 plans that, it's a financial plan that may go out more
17 than the next year, and that's the label it gets,
18 strategic plan is the kind of label that gets, but
19 it's the financial information going out for a couple
20 of years, and that gets reviewed with RJR Nabisco.
21 BY MR. JANECEK:
22 Q. Where does RJ Reynolds Tobacco Company get
23 its information to formulate those plans? Does it get
24 that from the subsidiaries?
25 A. RJ Reynolds -- the plan I'm talking about is

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1 for domestic cigarette operations, and the information
2 for that plan is generated by RJ Reynolds Tobacco
3 Company itself.
4 Q. As in the plans generated from RJ Reynolds
5 Tobacco Company. But does it get information, for
6 example, historical information on how its domestic
7 cigarettes have been doing when it makes that plan?
8 MS. BIXENSTINE: Objection to the form of
9 the question. What do you mean by "its domestic
10 cigarettes"?
11 MR. JANECEK: I'm trying to use the language
12 that Mr. Johnson is using. He said he's more familiar
13 with the domestic planning --
14 MS. BIXENSTINE: Yeah, but what do you mean
15 by domestic cigarettes?
16 BY MR. JANECEK:
17 Q. Well, why don't you describe to me what you
18 mean by domestic planning.
19 A. When I say that I'm referring to the plans
20 of RJ Reynolds Tobacco Company concerning the
21 cigarettes that it sells in the United States.
22 Q. Okay. Now, I'm assuming, and correct me if
23 I'm wrong, that part of the information that RJ
24 Reynolds Tobacco Company needs to create those plans
25 is historical sales; is that correct?

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1 A. Uhm, I think that's, I'm not involved in
2 preparing these financial plans, but I, I would think
3 you would need to know something about history to be
4 able to project into the future.
5 Q. Do you know if RJ Reynolds Tobacco Company
6 gets its historical information from its subsidiaries
7 that are involved in the various domestic tobacco
8 functions?
9 MS. BIXENSTINE: Objection. Assumes facts
10 not in evidence.
11 A. There are no subsidiaries involved in
12 selling cigarettes in the United States other than RJ
13 Reynolds Tobacco Company. RJ Reynolds Tobacco Company
14 sells all the cigarettes in the 50 state, United
15 States, market.
16 BY MR. JANECEK:
17 Q. Do you know if RJ Reynolds Tobacco Company
18 reviews information that it is provided from its
19 subsidiaries?
20 MS. BIXENSTINE: Objection to the form of
21 the question. You're assuming that information is
22 provided to RJ Reynolds Tobacco Company from its
23 subsidiaries because you are asking if it reviews that
24 information, so maybe you should first ask whether it
25 gets any information from its direct or indirect

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1 subsidiaries.

2 MR. JANECEK: Fair enough.

3 BY MR. JANECEK:

4 Q. Does RJ Reynolds Tobacco Company receive

5 information from its subsidiaries?

6 A. Well, the, the employees of RJ Reynolds

7 Tobacco Company (New Jersey) are involved in, you

8 know, operating and running what we've referred to as

9 the domestic cigarette business. RJ Reynolds Tobacco

10 International, Inc., the other company we've talked

11 about, the Delaware company, as I recall, is, has been

12 historically involved in overseeing the domestic --

13 I'm sorry, the international tobacco operations of the

14 various, you know, subsidiaries. Uhm, so the

15 information about what the various foreign

16 subsidiaries, you know, what their results are, et

17 cetera, what kind of money they are making, doesn't

18 really come to the people at RJ Reynolds Tobacco

19 Company. Let's see. Yeah, I can't, I can't think of

20 that information being, you know, coming into the RJ

21 Reynolds Tobacco Company directly or indirectly.

22 Q. Is it your testimony that RJ Reynolds

23 Tobacco Company, even though it's a direct or indirect

24 owner of the various international subs, receives

25 absolutely no information from its subsidiaries?

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1 A. Well, it, the arrangement between Reynolds
2 tobacco, RJ Reynolds Tobacco Company and RJ Reynolds
3 Tobacco International, Inc., is that International,
4 Inc., will, you know, oversee the, the operations,
5 basically.
6 Q. So, then, would RJ Reynolds Tobacco
7 International, then, provide some sort of summary or a
8 global view to RJ Reynolds Tobacco Company of the
9 historical output of its subsidiaries?
10 MS. BIXENSTINE: Objection. Asked and
11 answered.
12 A. I, I don't know.
13 BY MR. JANECEK:
14 Q. Do you know if RJ Reynolds Tobacco
15 International would provide the information it obtains
16 from the various subsidiaries that we were just
17 talking about to RJR Nabisco, Inc.?
18 A. Yes.
19 Q. Okay. I mean, you're just not sure of what
20 of that information that RJR Tobacco International,
21 Inc., provides to RJ Reynolds Nabisco, Inc., is
22 supplied to RJ Reynolds Tobacco Company?
23 MS. BIXENSTINE: Objection to the form of
24 the question. The question assumes that any of it
25 goes to RJ Reynolds Tobacco Company and that question

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1 has been asked and answered.

2 BY MR. JANECEK:

3 Q. You can answer.

4 A. You'll have to ask it again, I'm sorry.

5 Q. Okay. If I've got this correct, RJ Reynolds

6 Tobacco International, Inc., compiles the various

7 historical information from the foreign subsidiaries.

8 Is that correct so far?

9 MS. BIXENSTINE: Objection to historical

10 information. He talked about certain financial

11 information.

12 A. It's, it's, the results of operations-type

13 financial information, that's what I'm referring to,

14 and that gets funneled into RJ Reynolds Tobacco

15 International, Inc.

16 BY MR. JANECEK:

17 Q. Okay. Then that financial information is

18 passed along to RJR Nabisco, Inc., from RJR Tobacco

19 International, Inc.; is that correct?

20 A. Yes.

21 Q. And you don't know what, if any, according

22 to your counsel, information that is provided to RJ

23 Reynolds Tobacco Company about its subsidiaries from

24 RJR -- RJ Reynolds Tobacco International; is that

25 correct?

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1 MS. BIXENSTINE: Objection to the form of
2 the question. You can answer.
3 A. I don't know what financial information is
4 passed on. RJ Reynolds Tobacco Company manufactures
5 some cigarettes here in Winston-Salem that are, you
6 know, exported. Those cigarettes are being sold by
7 this company or, when I say "this company," I mean RJ
8 Reynolds Tobacco International, Inc., or a foreign
9 company. In order for RJ Reynolds Tobacco Company,
10 you know, to make those cigarettes, it's got to get
11 some information from somebody in the international
12 part of the business. You've got to know what brand,
13 how many, you know, et cetera. So, I mean, there is,
14 when you say information going back and forth, that
15 covers a lot of ground. I'm not, that's an example
16 for me of information that RJ Reynolds Tobacco Company
17 would get and would have to have in order to make
18 cigarettes.
19 BY MR. JANECEK:
20 Q. So some information does go to RJ Reynolds
21 Tobacco Company from its subsidiaries; you just don't
22 know what types or how?
23 A. Right.
24 Q. Okay. Do you know who at RJ Reynolds
25 Tobacco Company would know the types of information

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1 that RJ Reynolds Tobacco Company gets and the manner
2 that that information is transmitted from its
3 subsidiaries?
4 MS. BIXENSTINE: All of the information that
5 might be transmitted, such as manufacturing
6 requirements, or are you talking about financial
7 information?
8 MR. JANECEK: Number one, if there's just
9 one person that would know.
10 A. I don't think there is any one person that
11 would know.
12 BY MR. JANECEK:
13 Q. Do you know if there's one department that
14 would be in charge of the information?
15 A. No, I don't think there would be one
16 department.
17 MR. JANECEK: Why don't we take a break for
18 a minute. I think I'm getting close to being done.
19 MS. BIXENSTINE: Great.
20 (Recess taken from
21 2:25 P.M. to 2:30 P.M.)
22 Q. Mr. Johnson, with respect to the various
23 subsidiaries, are those all individual corporations?
24 A. The subsidiaries depicted on Plaintiff's
25 Exhibit 1, I believe that they are all corporations

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1 unless, I don't see any indication in the legend about
2 partnerships or some other corporate form -- well,
3 there is a, a legend for partnership slash joint
4 ventures, so if there is a P indication, it may be a
5 partnership.
6 Q. Okay. But those are, with respect to the
7 individual corporations, when we have been saying they
8 are a hundred percent owned, that would mean that the
9 next entity up the vertical line would have 100
10 percent of the stock unless otherwise denoted; is that
11 correct?
12 A. Yes.
13 Q. Okay. Mr. Johnson, do you know if any
14 documents exist that would identify the management
15 structure for the individual subsidiaries and who the
16 president was, vice president, et cetera?
17 A. You're talking about for each company on
18 this chart?
19 Q. That's correct.
20 A. I think for a lot of these companies those,
21 you know, such documents do exist.
22 Q. Okay. Would RJ Reynolds Tobacco Company
23 have, maintain that type of information, who the
24 senior management and officers and directors of the
25 individual, of its subsidiaries that it owns, who

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1 those people are?

2 A. I think we have, RJ Reynolds Tobacco

3 Company, has some of that information for its

4 subsidiaries, yes.

5 Q. Okay. Mr. Johnson, the last document I'm

6 going to hand you we'll have the court reporter mark

7 as Exhibit 14.

8 THE REPORTER: I believe it's 13.

9 BY MR. JANECEK:

10 Q. 13, okay. This document is entitled RJR

11 Nabisco Holdings Corp. and the bottom right hand

12 corner denotes January 31, 1995, Page 1, Sub-Curr.

13 Pursuant to discussions with counsel, this document is

14 a document that is generated in connection with the

15 corporate structure chart that we've identified as

16 Exhibit 1 to this deposition. Can you generally tell

17 me what that document is?

18 A. It's the same kind of listing for the direct

19 and indirect subsidiaries of RJR Nabisco Holdings

20 Corp., they are listed alphabetically, and the

21 document shows the date of incorporation, place of

22 incorporation, and this particular one is prepared as

23 of January 31, 1995. It's the latest version of some

24 of these earlier exhibits we've been looking at.

25 MR. JANECEK: I don't have any other

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1 questions.

2 MS. BIXENSTINE: I have no questions. Mr.

3 Johnson will exercise his right to review and sign the

4 transcript, and I would appreciate it if you would

5 send it to me.

6 (Whereupon, at 2:45 P.M.,

7 the deposition of MICHAEL O. JOHNSON

8 was adjourned.)

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STATE OF NORTH CAROLINA)

) ss.

COUNTY OF FORSYTH)

I, MICHAEL O. JOHNSON, hereby certify under penalty of perjury under the laws of the State of North Carolina that the foregoing is true and correct.

Executed this 20th day of February, 19 94, at Winston Salem, North Carolina.

Michael O Johnson

MICHAEL O. JOHNSON

HUMPHREY in HUMPHREY

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STATE OF NORTH CAROLINA)

) ss.

COUNTY OF MECKLENBURG)

I, SHERRY L. MALIA, Registered Professional Reporter in and for the State of North Carolina, do hereby certify:

That, prior to being examined, the witness named in the foregoing deposition, to wit, MICHAEL O. JOHNSON, was by me duly sworn to testify the truth, the whole truth, and nothing by the truth;

That said deposition was taken down by me in shorthand at the time and place therein named, and thereafter reduced to typewriting under my direction, and the same is a true, correct, and complete transcript of said proceedings.

I further certify that I am not interested in the event of the action.

WITNESS MY HAND this 19th day of January, 1996.

Sherry L. Malia

SHERRY L. MALIA

Registered Professional Reporter

My Commission Expires October 5, 2000.

TEARNEY & TEARNEY

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